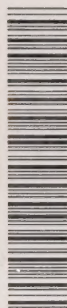


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Canada. Industry, Trade and Commerce.

Canada. Regional Economic Expansion.

News Release



News Release

60/73

FOR IMMEDIATE RELEASE

OTTAWA, September 12, 1973 -- Following is the text of the speech delivered this morning by The Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, at the opening session of the GATT Ministerial Meetings in Tokyo.

"Mr. Chairman, I extend the Canadian delegates sincerest thanks to the Japanese Government for hosting this historic meeting. We would also like to congratulate you, Mr. Ohira, on your election to the Chair. We consider it most fitting that this meeting is being held in Tokyo under the chairmanship of a Minister of the Government of Japan. It reflects the increasing importance of Japan in international trade and Japan's strong support for efforts to bring about further trade liberalization.

The purpose of this meeting is to initiate comprehensive multilateral trade negotiations in the framework of GATT. Canada has consistently and strongly supported the idea of another round of GATT negotiations. We consider that the draft declaration formulated in the preparatory committee constitutes a good basis





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for setting these negotiations in progress and, therefore, support its adoption. We recognize, of course, that there are some questions still to be settled, but we are confident they can be resolved in a way which will result in a text acceptable to all delegates.

Canada supports the objective of the negotiations, as set out in the declaration, to achieve the expansion and ever greater liberalization of world trade. In addition, we welcome the fact that the declaration excludes no trade barriers from the negotiations and that they will cover tariffs and non-tariff barriers and other trade restricting or distorting measures in both the agricultural and industrial sectors.

We also attach great importance to the provision of the declaration that the negotiations shall be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity on a most favoured nation basis. We do not expect full reciprocity from developing countries, but we believe that certain developing countries should make a contribution.

The negotiations we are about to commence will, for the first time, attempt to deal with the reduction or elimination of non-tariff barriers in a comprehensive way. It is also the first time that the terms of reference have identified the sector approach as one of the possible techniques.

The preceding six rounds of GATT negotiations focussed essentially on tariffs. They have resulted in the reduction of duties to levels lower than any time in this century - although tariffs still present a significant impediment to trade. Past negotiations did not resolve the problems of non-tariff barriers - except, of course, in the negotiation of the anti-dumping code - yet these constitute a major impediment to trade, nor did the earlier negotiations achieve an adequate liberalization of trade in agricultural products.

Against this background it is Canada's view that the forthcoming negotiations should seek in particular to attain the following objectives:

- (1) The reduction or elimination of trade restricting or distorting effects of non-tariff measures and bringing such measures under more effective international scrutiny and discipline;
- (2) A substantial reduction of tariffs on both industrial and agricultural products;
- (3) A significant improvement in the terms of access for agricultural exports, ^{particularly in EEC and Japan} resulting in a greater role over time for comparative advantage and increased stability in international trade;
- (4) In carefully defined and selected sectors, a comprehensive attack on all barriers to trade especially where these impede the processing and upgrading of resources in the country of origin;

(5) Improved opportunities for developing countries to increase their export earnings.

If those objectives are to be achieved it is essential that all participants obtain authority both to reduce any tariff rate to zero and to negotiate and implement solutions to non-tariff measures. Canada is also prepared to join in an examination of the present safeguards in the GATT with a view to furthering trade liberalization and preserving its results. Finally, we believe the negotiations should be completed by the end of 1975.

In our view it is important that as many developing countries as possible participate in the negotiations. It is only by actively participating in these negotiations that these countries can achieve an accelerated rate of growth in their trade and greater diversification of their exports. The negotiations, therefore, must permit a broadening of the possibilities of developing countries as well as developed countries to share in and benefit from future expansion of world trade.

This declaration establishes a trade negotiations committee with broad terms of reference. In Canada's view, the trade negotiations committee should meet next month to organize its work and arrange for the initiation of negotiations early in 1974 especially in three areas - on non-tariff barriers, agriculture, and on the identification of sectors eligible for comprehensive action.

We will work for the progressive extension of negotiations so that they will be joined on the whole range of issues including tariffs by autumn next year. The report of the preparatory committee indicates the complexity of the task facing the committee. However, because of the comprehensive program of work initiated by GATT Ministers in 1967, we are better prepared for these negotiations than for any previous round, and stand a good chance of completing them on time.

The successful outcome of these negotiations is of vital importance to Canada and the international trading community in general. The task before us will undoubtedly be arduous as the negotiations are potentially the most far-reaching and complex yet attempted. They also hold out the promise of potential benefits equal to the progress already achieved. We must expect that difficulties, and even crises such as have marked past trade negotiations, will emerge. We are confident, however, that the political commitment to their success exists.

The joint undertakings of the USA, the European Community and Japan in January 1972, are of course evidence of the willingness of these three major trading entities to bring about substantial trade liberalization. We feel that the USA's Trade Reform Bill, as reaffirmed today in the speech by Secretary Shultz, the overall approach of the European Community, as reconfirmed today in the statements by Minister Norgaard and Sir Christopher Soames, and

the recent statement by the Japanese Government, as reiterated today in the speech by Minister Kosaka, reflect and confirm this view. The adoption of the declaration before us by all participants will by itself constitute another clear demonstration of our intention to succeed in this important venture.

In conclusion, I would confirm Canada's commitment to further trade liberalization and our willingness to participate in the negotiations and contribute to the maximum possible liberalization of tariff and non-tariff barriers in agricultural and industrial products in conformity with the principles of overall reciprocity, mutual commitment and mutual advantage."



News Release

76/73

FOR IMMEDIATE RELEASE

OTTAWA, November 15, 1973 -- The establishment of the Canadian Trade and Tariffs Committee (CTTC) to receive the views of all Canadian interests with respect to Canada's participation in the new trade negotiations under the General Agreement on Tariffs and Trade (GATT) was announced today by The Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce.

At a meeting of GATT Ministers in Tokyo on September 14, 1973, a new Round of comprehensive multilateral trade negotiations was initiated. These negotiations will seek to achieve the expansion and liberalization of world trade through the progressive dismantling of obstacles to trade and will be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity. It is intended that these negotiations will be completed by the end of 1975.

Mr. Gillespie also announced the appointment of Mr. John Gear McEntyre, formerly Deputy Minister of National Revenue (Taxation) and currently Consul General in Los Angeles, as Chairman of the new Canadian Trade and Tariffs Committee. He also gave a list of Senior Government officials who will be members of the CTTC (Annex I).



The Tokyo Ministerial Declaration (Annex II) provides for comprehensive negotiations which will cover tariffs, non-tariff barriers and other measures which impede or distort international trade in industrial, agricultural and fisheries products. These negotiations will include an examination of the adequacy of the existing GATT safeguard provisions under which Governments may take emergency actions to deal with problems of serious injury to production or employment created by a sudden large influx of imports. There will be a major and systematic effort to reduce or eliminate the trade restricting and distorting effects of non-tariff measures and to bring such measures under more effective international discipline.

Mr. Gillespie explained that the precise rules to govern the conduct of the negotiations had not yet been elaborated internationally. He said that Ministers in Tokyo had charged the GATT Trade Negotiations Committee with this responsibility.

The Minister of Industry, Trade and Commerce said that the GATT negotiations will be of vital importance to all regions in Canada and to all sectors of the Canadian economy. He indicated that Canada intends to play a full and active role in the negotiations. In view of the complexity and potential scope of these negotiations, the Canadian Government is very anxious to receive the views of all interested groups in Canada.

In order to give equal opportunity to all interested Canadians to be heard from all regions, provisions will be made for the CTTC to hold some sessions in different parts of the country. The Minister emphasized that the CTTC would remain in existence throughout the period of the negotiations, so that there will be continuing consultations as the situation evolves internationally and as the nature and content of the negotiations become more precise.

Written submissions will be welcome from any Canadian interest, including individual firms or industry associations, labour, farmer, and consumer groups. The Minister indicated that he had asked the Chairman of the CTTC to contact provincial governments with a view to discussing the additional Federal-Provincial consultation mechanism on the trade negotiations.

It will be open to parties submitting written briefs to supplement them with oral presentations. The consultations will be conducted privately; all information provided to the CTTC and all views expressed will be considered confidential. The Committee, of course, would have no objection if anyone chooses to make public the nature of his own submission.

Attention was drawn to the following objectives that Canada hopes to attain in the negotiations as outlined by the Minister of Industry, Trade and Commerce in his statement to the Tokyo Ministerial Meeting:

- (1) the reduction or elimination of trade restricting or distorting effects of non-tariff measures and bringing such measures under more effective international scrutiny and discipline;
- (2) a substantial reduction of tariffs on both industrial and agricultural products;
- (3) a significant improvement in the terms of access for agricultural exports, resulting in a greater role over time for comparative advantage and increased stability in international trade;
- (4) in carefully defined and selected sectors, a comprehensive attack on all barriers to trade especially where these impede the processing and upgrading of resources in the country of origin;
- (5) improved opportunities for developing countries to increase their export earnings.

Mr. Gillespie explained that submissions should include whatever information is considered relevant in light of the particular circumstances of the party submitting it. He suggested, however, that submissions might cover the elements outlined in Annex III to this press release.

Briefs should be submitted in 15 copies. The CTTC will be prepared to receive briefs immediately and arrange for oral presentations on request early in 1974. Oral presentations will

not be heard until after receipt of the brief on which they are based. Briefs and requests for appearance before the Committee should be submitted at the earliest possible date, in order that full consideration may be given to them.

Initial briefs could be supplemented, as appropriate, later during the period of the negotiations.

The Secretary of the Canadian Trade and Tariffs Committee, Mr. D.R. Hill, has been loaned by the Department of External Affairs.

Representations should be addressed to the Secretary, Canadian Trade and Tariffs Committee, Room 211, Postal Station "B", 59 Sparks Street, Ottawa K1A 0H5, Ontario (Telephone: 996-8291).

ANNEX I

DEPARTMENT OF EXTERNAL AFFAIRS

Mr. M. Dupuy
Assistant Under-Secretary

Alternate: Mr. Roger Bull
Director
Commercial Policy Division

DEPARTMENT OF FINANCE

Mr. R. deG. Grey
Assistant Deputy Minister
Tariffs, Trade and Aid Branch

Alternates: Mr. R.K. Joyce
Director
International Economic
Relations

Mr. J. Loomer
Director, Tariffs
Tariffs, Trade & Aid Branch

Mr. R. Catellier
Tariffs Division

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Senior Assistant Deputy Minister
International Trade

Alternates: Mr. R.E. Latimer
Assistant Deputy Minister
International Trade Relations

Mr. M.G. Clark
General Director
Office of General Relations

Mr. G.A. Denis
Chief
GATT Division

DEPARTMENT OF AGRICULTURE

Mr. W.E. Jarvis
Assistant Deputy Minister
(Production and Marketing)

Alternates: Dr. A.E. Hannah
Assistant Deputy Minister
(Food Systems)

Dr. G.J. Dobson
Director
Marketing & Trade Division
Economics Branch

Mr. M.N. Gifford
Chief
Trade Policy

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Mr. J.P. Drolet
Assistant Deputy Minister
(Mineral Development)

DEPARTMENT OF NATIONAL REVENUE

Mr. A. Senecal
Assistant Deputy Minister
(Tariff Programs and Appraisal)

Alternates: Mr. Ken McCammon
Director
Policy, Planning & Foreign
Offices
Tariff Programs and Appraisal
Branch

Mr. T. Korican
Chief, International Programs
Customs Operations Branch

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Mr. N.R. Daniels
Assistant Deputy Minister
(Planning and Coordination)

Alternate: Mr. N.G. Mulder
Director General
Analysis and Liaison Branch

DEPARTMENT OF LABOUR

Mr. H.J. Weisglass
Director General
(Research and Development)

DEPARTMENT OF CONSUMER & CORPORATE AFFAIRS

Mr. H.E. English
Senior Economic Advisor

Alternate: Mr. John S. Rayner,
Departmental Secretary

DEPARTMENT OF SUPPLY & SERVICES

Mr. G.A. Berger
Director General
(Supply Planning)

Alternate: Mr. T.A. Bernes
Deputy Director
Inter-Program Relations
Group

ANNEX II

GATT MINISTERIAL MEETING TOKYO, 12-14 SEPTEMBER 1973

Declaration

1. The Ministers, having considered the report of the Preparatory Committee for the Trade Negotiations and having noted that a number of governments have decided to enter into comprehensive multilateral trade negotiations in the framework of GATT and that other governments have indicated their intention to make a decision as soon as possible, declare the negotiations officially open. Those governments which have decided to negotiate have notified the Director-General of GATT to this effect, and the Ministers agree that it will be open to any other government, through a notification to the Director-General, to participate in the negotiations. The Ministers hope that the negotiations will involve the active participation of as many countries as possible. They expect the negotiations to be engaged effectively as rapidly as possible, and that, to that end, the governments concerned will have such authority as may be required.

2. The negotiations shall aim to:

- achieve the expansion and ever-greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world, objectives which can be achieved, inter alia, through the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade.
- secure additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, taking into account their development needs, an improvement in the possibilities for these countries to participate in the expansion of world trade and a better balance as between developed and developing countries in the sharing of the advantages resulting from this expansion, through, in the largest possible measure, a substantial improvement in the conditions of access for the products of interest to the developing countries, and, wherever appropriate, measures designed to attain stable, equitable and remunerative prices for primary products.

To this end, co-ordinated efforts shall be made to solve in an equitable way the trade problems of all participating countries, taking into account the specific trade problems of the developing countries.

3. To this end the negotiations should aim, inter alia, to:

- (a) conduct negotiations on tariffs by employment of appropriate formulae of as general application as possible;
- (b) reduce or eliminate non-tariff measures or, where this is not appropriate, to reduce or eliminate their trade restricting or distorting effects, and to bring such measures under more effective international discipline;
- (c) include an examination of the possibilities for the co-ordinated reduction or elimination of all barriers to trade in selected sectors as a complementary technique;
- (d) include an examination of the adequacy of the multilateral safeguard system, considering particularly the modalities of application of Article XIX, with a view to furthering trade liberalization and preserving its results;
- (e) include, as regards agriculture, an approach to negotiations which, while in line with the general objectives of the negotiations, should, take account of the special characteristics and problems in this sector;
- (f) treat tropical products as a special and priority sector.

4. The negotiations shall cover tariffs, non-tariff barriers and other measures which impede or distort international trade in both industrial and agricultural products, including tropical products and raw materials, whether in primary form or at any stage of processing including in particular products of export interest to developing countries and measures affecting their exports.

5. The negotiations shall be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity, while observing the most-favoured-nation clause, and consistently with the provisions of the General Agreement relating to such negotiations. Participants shall jointly endeavour in the negotiations to achieve, by appropriate methods, an overall balance of advantage at the highest possible level. The developed countries do not expect reciprocity for commitments made by them in the negotiations to reduce or remove tariff and other barriers to the trade of developing countries, i.e., the developed countries do not expect the developing countries, in the course of the trade negotiations, to make contributions which are inconsistent with their

individual development, financial and trade needs. The Ministers recognize the need for special measures to be taken in the negotiations to assist the developing countries in their efforts to increase their export earnings and promote their economic development and, where appropriate, for priority attention to be given to products or areas of interest to developing countries. They also recognize the importance of maintaining and improving the Generalized System of Preferences. They further recognize the importance of the application of differential measures to developing countries in ways which will provide special and more favourable treatment for them in areas of the negotiation where this is feasible and appropriate.

6. The Ministers recognize that the particular situation and problems of the least developed among the developing countries shall be given special attention, and stress the need to ensure that these countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries during the negotiations.

7. The policy of liberalizing world trade cannot be carried out successfully in the absence of parallel efforts to set up a monetary system which shields the world economy from the shocks and imbalances which have previously occurred. The Ministers will not lose sight of the fact that the efforts which are to be made in the trade field imply continuing efforts to maintain orderly conditions and to establish a durable and equitable monetary system.

The Ministers recognize equally that the new phase in the liberalization of trade which it is their intention to undertake should facilitate the orderly functioning of the monetary system.

The Ministers recognize that they should bear these considerations in mind both at the opening of and throughout the negotiations. Efforts in these two fields will thus be able to contribute effectively to an improvement of international economic relations, taking into account the special characteristics of the economies of the developing countries and their problems.

8. The negotiations shall be considered as one undertaking, the various elements of which shall move forward together.

9. Support is reaffirmed for the principles, rules and disciplines provided for under the General Agreement.¹ Consideration shall be given to improvements in the international framework for the conduct of world trade which might be desirable in the light of progress in the negotiations and, in this endeavour, care shall be taken to ensure that any measures introduced as a result are consistent with the overall objectives and principles of the trade negotiations and particularly of trade liberalization.

¹ This does not necessarily represent the views of representatives of countries not now parties to the General Agreement.

10. A Trade Negotiations Committee is established, with authority, taking into account the present Declaration, inter alia:

- (a) to elaborate and put into effect detailed trade negotiating plans and to establish appropriate negotiating procedures, including special procedures for the negotiations between developed and developing countries;
- (b) to supervise the progress of the negotiations.

The Trade Negotiations Committee shall be open to participating governments.¹
The Trade Negotiations Committee shall hold its opening meeting not later than 1 November 1973.

11. The Ministers intend that the trade negotiations be concluded in 1975.

¹Including the European Communities

ANNEX III

ELEMENTS THAT MIGHT BE CONSIDERED IN SUBMISSIONS TO THE CTTC

- (1) Commodities produced, location of production, employment (total and by region if possible), volume and value of production, exports, inputs required for production which must be imported, main international competition, and any plans for expanding production and introducing new products. Information should be provided for a representative period possibly starting in 1967 but including 1970, 1971 and 1972 and beyond where projections are available.
- (2) Main factors influencing the demand, structure and development of the industry internationally and of Canadian industrial or agricultural sectors as necessary to have a clear understanding of the sector's strengths, weaknesses and its world competitive position. This information should help to identify growth areas for the future where the Government should seek the reduction of trade barriers to improve the competitive position of the Canadian industry. It might cover areas such as technological developments affecting production and markets as well as the availability of that technology; the importance of economies of scale and specialization; price sensitivities; productivity; the importance of vertical and horizontal integration of production; and, the main Government policies affecting the sectors.
- (3) In assessing possible export opportunities, information might be provided as to:
 - (a) products now exported and the pattern of export performance, taking account of possible new product lines in particular markets for the most recent years including 1970, 1971, 1972;
 - (b) the tariff treatment in major present and potential export markets including the relevant tariff items;
 - (c) main non-tariff barriers and other trade distorting practices in major present and potential export markets with an indication of how these affect exports of the products. Non-tariff barriers identified in the GATT preparatory work include anti-dumping and countervailing duties, export subsidies and other trade distorting subsidies, levies, quantitative restrictions and import licensing, product standards including health regulations, government procurement practices, customs valuation, import documentation and formalities, tariff classification, packaging and labelling regulations, state trading practices. Policies in foreign countries which are felt to have a trade distorting effect should also be identified;
 - (d) reduction or elimination of tariffs, non-tariff barriers and other trade distorting measures in foreign markets which Canada should attempt to secure, with as detailed an assessment as possible of increases in exports of existing and new products and in production and employment (including its location) which could result from substantial reductions of such trade barriers. This should take into account the possibility of achieving free or substantially freer trade for particular sectors.
- (4) In regard to access to the Canadian market, information should be provided as to:
 - (a) production components presently imported and import competition in the domestic market including duties paid on imported products for the most recent years including 1970, 1971 and 1972;

- (b) Canadian tariff items regarding which it is felt existing rates might be reduced. This should include detailed information as to the effect on production, employment and consumer's interests in Canada of substantial reductions taking account of possible reduced costs of imported production components and of possible comparable reduction of barriers in export markets. Similarly information as to the possible effect of tariff reductions for items regarding which it is felt that reductions of duties would not be desirable;
 - (c) any non-tariff measures applied by Canada of the categories indicated in paragraph 3(c), and an indication of their effects.
- (5) Indication of the degree, nature and timing of adjustment that would be required as a result of substantial reductions in foreign and Canadian trade barriers identified in paragraphs 3 and 4 above, given that the results of the negotiations generally would be phased over a period of time.
- (6) Any additional information.



FOR IMMEDIATE RELEASE

OTTAWA, January 30, 1975 -- The Chairman of the Canadian Trade and Tariffs Committee, Mr. J. Gear McEntyre, today announced that the Committee is making additional plans to accommodate briefs received from Canadian business and other interests on the "Tokyo Round" of GATT Multilateral Trade Negotiations.

Since its establishment on November 15, 1973 the Committee has received a number of major submissions and is holding continuing consultations with many associations and companies on recommendations received with respect to Canada's participation in the negotiations.

Mr. McEntyre noted that new arrangements are appropriate to accommodate a larger volume of briefs anticipated by the Committee as a result of the commencement of substantive negotiations in Geneva. He referred specifically to the number of additional briefs which are expected as a result of the Prime Minister's announcement on January 20 of the establishment of the Canadian Negotiating Delegation in Geneva.

He indicated that in order to ensure adequate consultation with those individuals, companies and agencies anticipating submitting briefs, the Committee has made



provision, as required, to conduct regional oral consultations. It is proposed that these meetings start in the Western Provinces in late April and continue through the Maritime Provinces by late May. Definite timing and locations will depend upon receipt of briefs and requests for meetings.

All interests anticipating submitting briefs to the Committee are urged to provide these by the end of April if possible. Mr. McEntyre noted that the Committee would be in place throughout the negotiations for such consultation with Canadian interests as is appropriate on a continuing basis. He therefore emphasized that briefs could be submitted to the Committee as a statement of initial views and data, to be supplemented as appropriate as the negotiations develop.

Mr. McEntyre reaffirmed that the Committee will hold oral consultations only after receipt of written briefs. While reiterating that a brief should include whatever information is considered relevant by the party submitting it, he suggested that appropriate elements outlined in Annex I of this release might be covered.

Mr. McEntyre made available a list of the senior government officials who are members of the Committee (Annex II). He noted that close liaison will be maintained between the Negotiating Delegation and the Committee; the Head of the Delegation and the Deputy Head will continue as members of the Committee (ex-officio).

Briefs should be addressed, in fifteen copies,
to:

Secretary,
Canadian Trade and Tariffs Committee,
Lester B. Pearson Building,
Tower "B", 2nd Floor, Room 135,
125 Sussex Drive,
OTTAWA, Ontario
K1A 0H5.

(Telephone: 996-8291)

ANNEX I

ELEMENTS THAT MIGHT BE CONSIDERED IN SUBMISSIONS TO THE CTTG

- (1) Commodities produced, location of production, employment (total and by region if possible), volume and value of production, exports, inputs required for production which must be imported, main international competition, and any plans for expanding production and introducing new products. Information should be provided for a representative period possibly starting in 1967 but including 1970, 1971 and 1972 and beyond where projections are available.
- (2) Main factors influencing the demand, structure and development of the industry internationally and of Canadian industrial or agricultural sectors as necessary to have a clear understanding of the sector's strengths, weaknesses and its world competitive position. This information should help to identify growth areas for the future where the Government should seek the reduction of trade barriers to improve the competitive position of the Canadian industry. It might cover areas such as technological developments affecting production and markets as well as the availability of that technology; the importance of economies of scale and specialization; price sensitivities; productivity; the importance of vertical and horizontal integration of production; and, the main Government policies affecting the sectors.
- (3) In assessing possible export opportunities, information might be provided as to:
 - (a) products now exported and the pattern of export performance, taking account of possible new product lines in particular markets for the most recent years including 1970, 1971, 1972;
 - (b) the tariff treatment in major present and potential export markets including the relevant tariff items;
 - (c) main non-tariff barriers and other trade distorting practices in major present and potential export markets with an indication of how these affect exports of the products. Non-tariff barriers identified in the GATT preparatory work include anti-dumping and countervailing duties, export subsidies and other trade distorting subsidies, levies, quantitative restrictions and import licensing, product standards including health regulations, government procurement practices, customs valuation, import documentation and formalities, tariff classification, packaging and labelling regulations, state trading practices. Policies in foreign countries which are felt to have a trade distorting effect should also be identified;
 - (d) reduction or elimination of tariffs, non-tariff barriers and other trade distorting measures in foreign markets which Canada should attempt to secure, with as detailed an assessment as possible of increases in exports of existing and new products and in production and employment (including its location) which could result from substantial reductions of such trade barriers. This should take into account the possibility of achieving free or substantially freer trade for particular sectors.
- (4) In regard to access to the Canadian market, information should be provided as to:
 - (a) production components presently imported and import competition in the domestic market including duties paid on imported products for the most recent years including 1970, 1971 and 1972;

- (b) Canadian tariff items regarding which it is felt existing rates might be reduced. This should include detailed information as to the effect on production, employment and consumer's interests in Canada of substantial reductions taking account of possible reduced costs of imported production components and of possible comparable reduction of barriers in export markets. Similarly information as to the possible effect of tariff reductions for items regarding which it is felt that reductions of duties would not be desirable;
 - (c) any non-tariff measures applied by Canada of the categories indicated in paragraph 3(c), and an indication of their effects.
- (5) Indication of the degree, nature and timing of adjustment that would be required as a result of substantial reductions in foreign and Canadian trade barriers identified in paragraphs 3 and 4 above, given that the results of the negotiations generally would be phased over a period of time.
- (6) Any additional information.

ANNEX II

CANADIAN TRADE & TARIFFS COMMITTEE

CHAIRMAN

Mr. J. Gear McEntyre, Q.C.

CANADIAN DELEGATION TO THE MULTILATERAL TRADE NEGOTIATIONS

Mr. R. de C. Grey,
Head of Delegation

Mr. M. G. Clark,
Deputy Head

DEPARTMENT OF EXTERNAL AFFAIRS

Mr. M. Dupuy,
Assistant Under-Secretary

Alternates: Miss P.A. McDougall,
Director General,
Bureau of Economic & Scientific
Affairs

Mr. G. Shannon,
Director,
Commercial Policy Division

DEPARTMENT OF FINANCE

Mr. R. K. Joyce,
Assistant Deputy Minister,
Tariffs, Trade & Aid Branch

Alternates: Mr. J. Loomer,
Director, Tariffs Division,
Tariffs, Trade & Aid Branch.

Mr. J.A. MacPherson,
Director,
International Economic Relations

Mr. R. Catellier,
Tariffs,
Tariffs, Trade & Aid Branch

Mr. K.F. Gore,
Head, MTN Group,
Tariffs, Trade & Aid Branch

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Senior Assistant Deputy Minister,
International Trade

Alternates: Mr. R.E. Latimer,
Assistant Deputy Minister,
International Trade Relations

Mr. A.M. Guérin,
Assistant Deputy Minister,
Industrial Development

Mr. A.L. Halliday,
Acting General Director,
Office of General Relations

Mr. J.F. Donaghy,
Chief,
GATT Division

Mr. O.V. Lonmo,
MTN Coordinator, Industry

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(Production and Marketing)

Alternates: Dr. A.E. Hannah,
Assistant Deputy Minister,
(Food Systems)

Dr. G.J. Dobson,
Director,
Marketing & Trade Division,
Economics Branch

Mr. J.S. Lohoar,
Trade Policy

DEPARTMENT OF ENERGY, MINES & RESOURCES

Mr. J. P. Drolet,
Assistant Deputy Minister,
(Mineral Development)

Alternate: Mr. D.B. Fraser,
Head,
Trade Analysis Section

PRIVY COUNCIL OFFICE

Mr. D. A. White,
Acting Assistant Secretary to Cabinet,
(Economic Policy)

Alternate: Mr. G. Proulx,
Economic Policy

REVENUE CANADA (CUSTOMS)

Mr. A. Sénécal,
Assistant Deputy Minister,
(Tariff Programs & Appraisal)

Alternates: Mr. A.T. Wickham,
Director General,
Appraisal, Investigations
Directorate

Mr. K. McCammon,
Director,
Policy, Planning & Foreign Offices

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Mr. M. R. Daniels,
Assistant Deputy Minister,
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Senior Analyst,
Analysis & Liaison Branch

DEPARTMENT OF LABOUR

Mr. C. D. Harper,
Acting Director General
(Research & Development)

Alternate: Mr. V. Johnston,
Acting Director,
Economics & Research Branch

DEPARTMENT OF CONSUMER & CORPORATE AFFAIRS

Dr. A. Loynes,
Assistant Deputy Minister,
(Policy Analysis Group)

Alternate: Mr. J.M. Curtis,
Director,
Policy Analysis Group

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Mr. C. Oliver,
Director General,
(Supply Planning)

Alternate: Mr. D.L. Marshall,
Director,
Inter-Program Relations Group

DEPARTMENT OF ENVIRONMENT

Mr. K. C. Lucas,
Senior Assistant Deputy Minister,
(Fisheries and Marine)

Alternates: Mr. G.L. Grant,
Director,
Marketing Services Branch

Mr. A. Proulx,
Manager,
Intelligence Services Division

SECRETARY TO THE COMMITTEE

Mr. R. B. Fournier



Industry, Trade and Commerce

Industrie et Commerce

News Release

Contact: P. M. Shaw, 995-8900 For Release Immediate

News Release Subject: J.L.E. Couillard to head Trade and Tariffs Committee

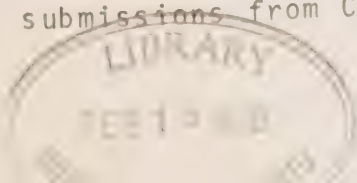
3/76

OTTAWA, August 6, 1976 -- The appointment of J.L.E. Couillard as chairman of the Canadian Trade and Tariffs Committee (CTTC) was announced today by Industry, Trade and Commerce Minister Don Jamieson. Mr. Couillard succeeds John Gear McEntyre, who has retired.

The CTTC was established in November 1973 to receive the views of all Canadian interests on Canadian participation in the current Multilateral Trade Negotiations, which deal with both tariffs and a wide range of non-tariff measures. In addition to Mr. Couillard, members of the CTTC include R. de C. Grey and M.G. Clark, Head and Deputy Head of the Canadian Delegation to the Multilateral Trade Negotiations and senior officials from some twelve federal government departments.

Mr. Couillard has had a distinguished career in Canada's foreign service and has held a number of senior Government positions in Ottawa, including that of Deputy Minister of Manpower and Immigration. Most recently he served as chairman of the Tariff Board and brings with him to the CTTC extensive experience in the field of trade and tariff policy.

Mr. Jamieson said that since the CTTC was established following the Tokyo Ministerial Meeting in September 1973 it has received more than 200 submissions from Canadian firms, associations and trade



unions interested in the negotiations. In addition, the Committee has held oral consultations with respect to many of these submissions.

Mr. Jamieson emphasized that the Committee will be in place throughout the course of the negotiations and will be available for consultation with Canadian interests on a continuing basis. He said many of those who have submitted briefs to the Committee as a statement of initial views and data intend to supplement them as the negotiations develop.

He added that Canada is playing a full and active role in these negotiations, the results of which could be of vital importance to all regions in Canada and to all sectors of the Canadian economy.

These negotiations, by opening up new market opportunities, could contribute to improved productivity and a stronger Canadian economy, Mr. Jamieson said. He recalled also that the communique issued following the recent Puerto Rico Economic Summit called for early conclusion of these important negotiations. He urged all interested groups in Canada to make their views known to the CTTC so that these can be taken into account in the formulation of Canadian positions in these negotiations.

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News Release

Communiqué

Industry, Trade
and Commerce

Industrie
et Commerce

Contact: Liaison

Mr. Don McEwan (613) 995-3201 ext. 233

For release/Pour publication

Immediate

Subject: Sujet

BOARD OF ECONOMIC DEVELOPMENT MINISTERS OUTLINES POLICY
FOR DEVELOPMENT OF CANADIAN AUTOMOTIVE INDUSTRY

/79

WINDSOR, March 14, 1979 -- Industry, Trade and Commerce Minister

Jack H. Horner, on behalf of the Board of Economic Development Ministers, outlined today federal government measures to ensure the continued health of the Canadian automotive industry. Mr. Horner expressed particular appreciation for the valuable contributions made by the Reisman Commission and the Consultative Task Force on the Automotive Industry.

"The Automotive Agreement has been a major contributing factor to the health and profitability of Canada's automotive industry," Mr. Horner said. "It will not be renegotiated now. At the same time," the Minister continued, "there are a number of measures the Government will take with regard to the sector."

Discussions will be pursued immediately with the U.S. Government concerning competitive subsidization to attract investment. Mr. Horner indicated that Canada wishes to reach agreement to contain such investment incentives.

"Until such negotiations are successful, the Government will not stand by while substantial investment is being lost to Canada because of incentives available in other countries," Mr. Horner said. "To offset such incentives, special federal aid will be considered in cases where existing federal programs do not apply and when the assistance needed is beyond the financial capacity of a province. As well, the Government will maintain its program of regional development incentives to encourage firms to locate in less advantaged regions of Canada."

"Canadian auto workers and the Canadian industry overall are efficient and competitive. Nonetheless, the industry faces major technological challenges resulting from more stringent conservation, emission, and safety requirements," Mr. Horner said.

To increase Canada's technological base, Mr. Horner outlined the Government's initiatives to increase research and development by the automotive industry.

The Enterprise Development Program criteria for automotive parts manufacturers will be changed for innovation projects of exceptional benefit that would not otherwise be undertaken in Canada. As well, the Government will press each of the auto-makers to develop Canadian suppliers of high technology parts and to increase their own level of R&D in Canada.

The Board of Economic Development Ministers have directed Industry, Trade and Commerce, in consultation with the Ministry of State for Science and Technology, to establish a special interdepartmental panel to combine federal efforts and develop co-operative R&D programs with automobile and parts manufacturers.

The Board has requested that MOSST study the likely government regulatory environment and technology needs in North America beyond 1985 and assess the types of R&D that would hold promise for Canada in terms of production, employment, trade and product mandate.

The federal government's response to the full range of issues raised by the Reisman Commission and the Consultative Task Force on the Automotive Industry were also released.

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News Release

Communiqué

Industry, Trade
and Commerce

Industrie
et Commerce

Contact/Liaison

995-6384

For release/Pour publication

Immediately

Subject/Sujet

CAPITAL INVESTMENT INTENTIONS SURVEY OF LARGE CORPORATIONS

IT&C 22/79

OTTAWA, November 23, 1979 -- The results of the Industry, Trade and Commerce Survey of Capital Investment Intentions of about 300 large corporations, carried out between October 15 and November 8, were released today by the Honourable Robert R. de Cotret.

HIGHLIGHTS

The Aggregate Picture: Higher Targets for 1980 Real Capital Spending

The October 1979 Survey shows that large corporations are more optimistic about capital spending in 1980 than they were one year ago for 1979.

Last Fall the large firms anticipated that their real capital spending for 1979 would increase by about 8 percent; currently they anticipate their real capital spending will increase by about 10 percent in 1980.

However it should be noted that the large firms currently anticipate their rate of real capital spending for 1979 will be about 16 percent. Should the current anticipation of 16 percent real growth be realized for 1979 the forecasted 10 percent real growth for 1980 would indicate a somewhat weaker capital spending picture for the large firms in 1980 compared with 1979.

Responding firms expect their level of constant 1979 dollar spending on new plant and equipment for 1980 to be about \$24 billion (Table 1). This is an increase of about \$3 billion or an upward revision of about 15 percent from the plans for 1980 reported by these same companies in April 1979. The reported strength in 1980 is due to expansion of existing plans and introduction of new plans.

Although the large firms covered in this Survey account for about two-thirds of Canada's non-agricultural business outlays on new plant and equipment, it should be noted that the spending patterns of the surveyed firms may differ from those of smaller companies and the sectors not covered by the Survey. These results, therefore, cannot be extended directly to the economy as a whole. After adjustments, however, the results suggest that the realized increase in the level of real business spending on new plant and equipment in the Canadian economy (excluding housing) in 1980 may be up by 3-5 percent. This is somewhat lower than the anticipated increase of 5-7 percent for 1979 but compares most favourably with an annual average of less than one percent reported in the National Accounts for the period 1976 to 1978 inclusive.

These most recent Survey results suggest that business capital investment, excluding housing, will provide a definite stimulus to the Canadian economy in 1980 as it did in 1979.

Outlook for Manufacturing: Vigorous Expansion in Transportation Equipment

The relatively buoyant expectations for large firm capital spending in 1980 are reflected in considerable strength in the manufacturing sector. Anticipated real growth in capital spending for this sector in 1980 is more than double that anticipated for 1979 one year ago. The level of capital spending by the transportation equipment companies covered in the survey approximately doubled from 1978 to 1979 rising from about \$300 million to \$600 million constant 1979 dollars. Current indications (Table 1) are that the level will double again in 1980. This sector is strongly influenced by the capital spending of the automotive companies involved in product change-overs and new plant expansion. The additional year to year strength within manufacturing is largely attributable to the forest products and primary metals sectors.

Outlook for Non-Manufacturing: Somewhat Subdued

Spending plans for the non-manufacturing sector in 1980 are somewhat more subdued than they were for 1979, one year ago. A real increase of about 5 percent is indicated for 1980 compared with a real increase of 6.6 percent expected for 1979 one year ago. Notable strength is now apparent in the mining industry whereas last year the non-manufacturing sub-sector of particular strength was the transportation & storage industry.

The Energy Sector: Electric Utilities Mark Time, Gas & Oil Firms Expand

Electric utilities show notable weakness in their capital spending plans for 1980 with an anticipated real decline of 2.5 percent. This time last year these companies anticipated a 5 percent real increase in their capital spending for 1979. The weakness in this sector is due to forecasted excess capacity and tightness of funds from provincial governments. A much smaller component of energy company capital spending, namely oil and gas pipelines, also contributes to the weakness in this sector. On the other hand, oil and gas companies which anticipated a real decline in their spending plans for 1979 of 2.9 percent one year ago now expect real growth of about 9 percent in 1980. The outlook for 1981 capital spending by the oil and gas companies remains strong but electric utilities and oil and gas pipelines continue to show weakness.

Regional Picture: Above Average Growth in British Columbia and Ontario

From a regional perspective, the British Columbia region and Ontario show the strongest planned rates of increase. Alberta, while maintaining a high level of capital spending relative to historical patterns shows a small year to year real increase. The Prairie region as a whole shows a year to year increase for 1980 somewhat below the national average. Growth in Quebec is also expected to remain below the national average, while present spending plans in the Atlantic region indicate a decline in capital spending.

Foreign and Domestic: Foreign Firms in Canada Plan Strong Expansion

Dividing the large firms into domestic majority owned and foreign majority owned groups, it was found that the former plan real increases of about 6 percent in their capital spending for 1980 compared with about 17 percent for foreign owned firms. This is similar to the expectations for 1979 one year ago when foreign owned firms provided the major impetus to overall capital investment activity with an increase of about 10 percent compared with about 7 percent for domestic owned firms.

These results are supported by a recent US Department of Commerce survey of US subsidiaries which indicated that Canada is a preferred location for US investment activity with an increase of about twice the rate in current dollars of the overall total for US owned affiliates abroad.

Public Compared to Private Capital Spending: Boost in 1980 Capital Spending Plans due to Private Sector

Private spending on plant and equipment is anticipated to increase next year by 17 percent and accounts for more than 90 percent of the between survey upward revision to the total capital spending plans for 1980. Capital spending in the public portion of the business sector is expected to decrease by about 1 percent in 1980. Before the recent upward revision public sector spending in 1980 was anticipated to decline by about 8.5 percent. Public sector capital spending is heavily weighted by provincial utility companies (electric utilities).

Cost of Capital Goods: No Acceleration in Cost Increases Anticipated

The large firms do not anticipate any increase in the rate of inflation of capital goods prices in 1980. The cost adjustment factors or inflation rates used by the large firms in their capital budgets for 1980 is about 8.6 percent over the cost level for 1979: about the same as the percentage increase reported for 1979.

Factors Affecting Outlays: Cost of Funds Cited as More Important

As noted in earlier surveys, Canadian Federal Government industry specific economic policies were the most often cited factor affecting outlays. However, the Canadian-US dollar exchange rate was noted as being of lesser importance than one year ago while the cost of funds is currently more often cited as an important factor. Expected cash flow and rates of return were again also deemed important. Expected sales in Canada and economic conditions abroad were less frequently mentioned than one year ago as factors affecting outlays.

Investment Abroad: Investment in Canada Rises More than Investment Abroad

Large corporations reporting investment abroad as well as in Canada plan to increase their capital spending more in Canada than abroad next year. They exhibited the same behaviour in this respect during 1979. However, for these companies both their capital investment abroad and their capital investment in Canada shows larger year to year increases in 1979 than is planned for 1980.

Purpose of Investment: A Larger Share for Upgrading and Replacement

About four fifths of the large corporations reported the purposes of their capital spending. About 30 percent of the reported capital spending in 1980 will be directed to new facilities at new sites. Electric utilities and oil & gas companies are large contributors to this figure. Comparing the current survey results with those of the survey last Fall, expansion of facilities at new sites is receiving proportionately less of the total, whereas proportionately more is being spent on upgrading and replacement of existing facilities. The forest products industry is a large contributor to this category.

1981-1983 Period: Strength due to Expansion of Existing Plans and Introduction of New Plans

This Survey also looks at investment plans beyond the short term, accordingly, the present survey does afford some perspective with regard to the direction of change for the medium term. A comparison of this Survey's results with those taken in the October 1978 Survey shows stronger investment plans for the next three years than was anticipated one year ago. The strengthening appears to have taken place primarily in manufacturing while non-manufacturing is weaker than anticipated earlier. It is important to note that the comparative strength in the medium term does not result from carryovers from the current period nor does it result from the bringing forward of plans from the distant future. The medium term strength is primarily due to the expansion of existing plans and the introduction of new plans.

Tentative Medium Term Investments: Concentrated in Oil and Mining

Capital investments of about \$6.5 billion were not included by the large corporations in the capital spending plans but were nevertheless thought to hold high potential for introduction over the medium term. The largest proportions of these investments are attributable to oil and gas companies (about \$2 billion) and mining companies (about \$1 billion). On a regional basis the Prairies (about \$2.8 billion) and Ontario (about \$1.9 billion) would absorb the major proportions of these investments.

TABLE 1

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA

(Constant 1979 \$ Millions)

<u>Industry</u>	1979 Reported in <u>April 1979</u>	1979 Reported in <u>Oct. 1979</u>	1980 Reported in <u>April 1979</u>	1980 Reported in <u>Oct. 1979</u>
Food & Beverages	379.3	358.2	381.6	392.7
Forest Products	1,148.0	1,115.5	1,192.6	1,546.4
Primary Metals	1,033.1	860.0	1,149.4	1,228.9
Chemicals	710.5	687.4	547.2	610.0
Transportation Equipment	689.4	619.5	973.0	1,200.4
Other Manufacturing	1,288.0	1,184.1	1,333.2	1,242.0
<u>Total Manufacturing</u>	5,248.3	4,824.7	5,577.0	6,220.4
Mining Companies	1,051.4	1,008.9	1,155.8	1,389.4
Oil & Gas Companies	3,425.1	4,185.5	3,242.3	4,581.4
Oil & Gas Pipelines	712.2	725.0	477.1	616.1
Transportation & Storage	1,439.3	1,328.8	1,348.8	1,329.3
Communications	2,126.3	2,148.0	2,018.6	2,309.7
Electric Utilities	6,971.6	6,674.5	6,235.8	6,512.2
Trade, Finance and Other				
Commercial	1,398.1	1,208.6	1,186.9	1,398.8
<u>Total Non-Manufacturing</u>	17,124.0	17,279.3	15,665.3	18,136.9
<u>TOTAL</u>	22,372.3	22,104.0	21,242.3	24,357.3

* Only those firms which reported for the April 1979 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 286 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA

(Constant 1979 \$ Millions)

<u>Industry</u>	Revisions between April 1979 and October 1979 Surveys (Percent Change)		1980/79 Year to Year (Percent Change)	
	<u>1979</u>	<u>1980</u>	<u>Reported April 1979</u>	<u>Reported Oct. 1979</u>
Food & Beverages	-5.6	2.9	0.6	9.6
Forest Products	-2.9	29.6	3.8	38.6
Primary Metals	-16.8	6.9	11.2	42.8
Chemicals	-3.3	11.4	-23.0	-11.3
Transportation Equipment	-10.2	23.3	41.1	93.7
Other Manufacturing	-8.1	-6.9	3.5	4.8
<u>Total Manufacturing</u>	-8.1	11.5	6.2	28.9
Mining Companies	-4.1	20.2	9.9	37.7
Oil & Gas Companies	22.2	41.3	-5.4	9.4
Oil & Gas Pipelines	1.7	29.1	-33.1	-15.1
Transportation & Storage	-7.7	-1.5	-6.3	0.0
Communications	1.0	14.4	-5.1	7.5
Electric Utilities	-4.3	4.4	-10.6	-2.5
Trade, Finance and Other				
Commercial	-13.6	17.8	-15.2	15.7
<u>Total Non-Manufacturing</u>	0.9	15.7	-8.6	4.9
<u>TOTAL</u>	-1.2	14.6	-5.1	10.1

* Only those firms which reported for the April 1979 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 286 firms.

Contact / Liaison

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For release / Pour publication

Distribution: 996-0266

Immediate

Subject / Sujet

ITC AND PRIVATE SECTOR TO "CO-PUBLISH" EXPORT DIRECTORIES

23/79

OTTAWA, December 6, 1979 -- The Department of Industry, Trade

and Commerce (ITC) has changed its policy relating to the publication of export promotion literature. Rather than continuing solely with "in-house" promotion, ITC is currently negotiating with a number of business periodical publishers to produce this material as private rather than government publishing ventures.

Publications involved are industry directories or "sourcing catalogues" of Canadian products and services. They are directed towards potential buyers, particularly the products of secondary manufacturing industries and the services of consulting companies. The products to be listed in the brochures will have an extensive range from sophisticated electronic systems, through automotive parts, beef and dairy cattle, hockey sticks, business furniture and even Christmas trees.

Exporters meeting the department's criteria, have, until recently, been listed in directories and catalogues produced annually by ITC. Distribution to prospective buyers was made through the department's 87 trade offices abroad, at the more than 80 international trade fairs in which Canada participates annually, and to incoming and outgoing trade missions sponsored by the department. In some instances companies paid a nominal fee for a listing, but at best these fees offset only a fraction of the total production costs of any publication.

This new "co-publishing" process will cause significant changes. Company listings, along with an editorial evaluation or "overview" of the particular industry sector's exporting capability and competitiveness, will be the department's contribution. Any of the listed companies who wish to promote their product line in more detail will have the option of purchasing advertising space from the private sector firm publishing the book.

Publishing companies currently participating in the co-publishing venture are well established in the business periodical field with a publication whose subject matter is directly related to those of the particular export directory to be produced.

Distribution will remain under the control of ITC through its regular channels. The department will undertake to buy directly from the publishing firm sufficient quantities of each publication to cover the overseas distribution.

A spokesman for the Information Branch said that the decision to initiate a "co-publishing" venture was made for several reasons.

"The ever-escalating cost of government publishing was one reason, but in addition to that we were progressively servicing the requirements of ever more specific client groups, and smaller industry sectors or sub-sectors. As a result we would up publishing more different types of books in smaller quantities with the ensuing very high unit costs for everything we did.

"We asked ourselves too if we should be in the business of company and product promotion. It seemed the promotion of an industry sector and its export potential is a valid activity for this department;

the promotion of an individual company and its products is more properly the role of the private sector. Included in the private sector of course is the publishing industry."

Within the period ending March 31, 1980, Industry, Trade and Commerce will be engaging in co-publishing projects covering the following exporting sectors of Canadian industry: electronics; computers; business furniture; shipbuilding; surface transportation systems; management consulting and sporting goods and outdoor footwear.

For further information contact:

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Industry, Trade and Commerce
Industrie et Commerce

News Release Communiqué

Contact/Liaison H.R. Wilson 992-9166
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Immediate

Subject/Sujet

GOVERNMENT MOVES TO CLARIFY TRADE SANCTIONS
AGAINST SOVIET UNION

30

OTTAWA, January 22, 1980 -- Michael Wilson, Minister of State for International Trade confirmed today that clarification of trade sanctions against the Soviet Union will be available in a few days.

The sanctions were announced by Prime Minister Clark earlier this month in response to the Soviet invasion of Afghanistan.

"We are now responding to enquiries from Canadian businessmen to avoid confusion regarding these measures", Mr. Wilson said. "It is of course necessary that we co-ordinate our actions with like-minded countries -- such as the United States, Britain, France, West Germany and Japan -- in order to send a clear and effective message to the Soviets. These talks naturally take some time to complete."

The Minister emphasised that any Canadian company faced with an immediate question as to whether its products are embargoed or not as a result of these measures will get a quick decision.

"If there is a company which needs a fast answer we'll do our darndest to get a fast answer," Mr. Wilson promised.

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For more information contact:

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H.R. Wilson 992-9166

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Immédiate

Subject/Sujet

LE GOUVERNEMENT APPORTE DES PRÉCISIONS SUR LES SANCTIONS
ÉCONOMIQUES CONTRE L'URSS

IT 7/80

OTTAWA, le 22 janvier 1980 -- Michael Wilson, ministre d'État au Commerce International annonce aujourd'hui que des précisions concernant les sanctions économiques contre l'URSS seront fournies d'ici quelques jours.

La prise de telles sanctions fut annoncée par le premier ministre Clark en réponse à l'invasion de l'Afghanistan par l'URSS.

M. Wilson a déclaré: "Nous sommes en train de répondre aux demandes des milieux d'affaires pour éliminer la confusion entourant ces mesures. Il est bien sûr nécessaire de coordonner nos actions avec des pays comme les États-Unis, la Grande-Bretagne, la France, l'Allemagne fédérale et le Japon, de manière à bien faire comprendre notre message aux Soviétiques. Tout cela prend du temps."

Le Ministre a souligné que les compagnies canadiennes qui le demandent pourront savoir rapidement si leurs exportations tombent sous le coup de l'embargo.

M. Wilson a promis que tout sera mis en oeuvre pour que ces compagnies connaissent sans délais la réponse du gouvernement.

- 30 -

Pour plus de renseignements:

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Directeur

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Government of Canada
Gouvernement du Canada
Industry, Trade and Commerce
Industrie et Commerce

News Release Communiqué

Contact/Liaison R.H. Wilson (992-9166)
Distribution (996-0266)

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Subject/Sujet

SANCTIONS ON TRADE WITH THE USSR

T 9/80 OTTAWA, January 28, 1980 -- Michael Wilson, Minister of State for International Trade recalled that on January 22 he had indicated that some clarification of trade sanctions against the Soviet Union would be available in a few days. As the Prime Minister indicated in his statement of January 11, Canada is working with other countries to tighten both high technology exports and the terms of export credits to the Soviet Union. In the meantime Mr. Wilson was pleased to advise as follows:

Export Permits

Pending agreement with our allies regarding further restriction in trade, all outstanding permits will remain valid; but new export permits for items that are considered to have strategic significance will no longer be issued. Permits, however, for other goods will continue to be granted. Companies which may be affected can seek additional guidance from the Office of Special Import Policy, Department of Industry, Trade and Commerce, Ottawa (613) 995-8356.

Export Credits

Canada's line of credit with the Soviet Union has been stopped, and a new line is not being negotiated. Canada is discussing with other countries a common policy on tighter terms for export credits to the Soviet Union. In the meantime, EDC will consider credit applications only on a case-by-case basis. Exporters wishing further information should contact the Export Development Corporation, Ottawa. (613) 237-2750.

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For more information contact:

Mr. Howie Wilson,
Director,
Office of Special Import Policy

Tel.: (613) 992-9166



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H.R. Wilson (992-9166)
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Subject / Sujet

SANCTIONS ECONOMIQUES CONTRE L'URSS

OTTAWA, le 28 janvier 1980 -- Michael Wilson, Ministre d'Etat au Commerce International indiquait, le 22 janvier, qu'il fournirait des éclaircissements sous peu au sujet des sanctions économiques contre l'URSS. Comme le Premier Ministre l'avait mentionné le 11 janvier, le Canada s'affaire avec d'autres pays à resserrer les exportations d'articles de technologie avancée ainsi qu'à limiter le crédit à l'exportation vers l'URSS. Pour l'instant M. Wilson est heureux de pouvoir décider ce qui suit:

Licences d'exportations

Toutes les licences en vigueur restent valides jusqu'aux prochains accords de restrictions commerciales; cependant, aucune nouvelle licence d'exportation de biens stratégiques ne sera délivrée. Des licences pour d'autres produits continueront cependant d'être délivrées. Les sociétés qui peuvent être touchées par ces mesures peuvent communiquer avec la Direction générale de la politique sur l'importation de certains produits, Ministère de l'Industrie et du Commerce, Ottawa. (613) 995-8356.

Crédits d'exportations

Le contrat de crédit à l'exportation du Canada avec l'URSS est bloqué et on n'en négocie pas un nouveau. Le Canada négocie avec d'autres pays une politique commune de durcissement des crédits aux fins d'exportation vers l'URSS; la SEE analysera les demandes de crédit une à une. Les exportateurs peuvent communiquer avec la Société pour l'expansion des exportations, Ottawa. (613) 237-2570.

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POUR PLUS DE RENSEIGNEMENTS, COMMUNIQUER AVEC:

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Distribution (996-0266)

For release / Pour publication

Tuesday, Jan. 29, 1980 - 10:30am

Subject / Sujet

EXPORT PROMOTION REVIEW COMMITTEE REPORT RELEASED

/80

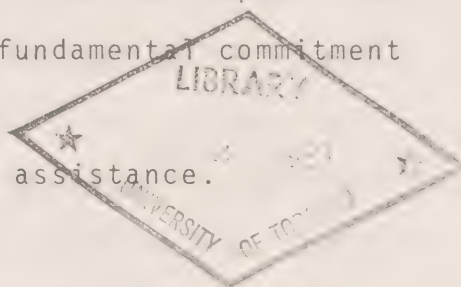
TORONTO, January 29, 1980 -- The report of the Export Promotion Review Committee, known as the 'Hatch Report' was released today by the Hon. Michael Wilson, Minister of State for International Trade.

The report on promoting Canada's export trade has close to 50 recommendations, and points out practical ways by which the government and private sectors can work together to strengthen the country's export trade.

The recommendations encompass eight major categories:

1. The establishment of an Export Trade Development Board.
2. Recommendations calling for a fundamental commitment to exporting.
3. Export promotion and marketing assistance.
4. Tax incentive measures.
5. Export financing and insurance.
6. The "aid and trade" relationship; in other words, the degree of interaction between Canada's trade policies and international assistance programs through the Canadian International Development Agency (CIDA).
7. Capital projects assistance.
8. Assistance to small businesses in exporting.

Mr. Wilson said the 'Hatch Report' was hard hitting and critical, but constructive. "All its recommendations will



be treated very seriously and none will be rejected out of hand.

"In fact, the government is moving ahead with plans to implement a wide variety of recommendations, everything from an export awards program to the more effective use of Trade Commissioner resources and market intelligence information.

"Many of the recommendations," the Minister said, "will not be costly to implement; indeed, reallocation of resources or better co-ordination of support systems may be sufficient. Other recommendations, however, particularly in the finance, insurance and tax areas, could be very costly, therefore a thorough study will be done to determine their economic benefits before any decisions are taken."

Mr. Wilson noted that the government had anticipated some of the recommendations and had already acted on them. As an example, he cited the establishment of the Export Trade Development Board, as previously announced by the Prime Minister. This is one of the report's main recommendations, and, according to Mr. Wilson, perhaps the one which in the long run will have the most far reaching implications. For the first time, through this Board, there will be a formal and continuing mechanism for the private sector to work with the government in developing export policies and programs.

This board, to be chaired by, and essentially comprised of, private sector members, will meet as often as six times a year to develop recommendations concerning the objectives and

priorities for export development; identification of export targets and marketing strategies; improvements in trade development policies and programs; needs of small businesses to develop export trade; co-ordination of government objectives; and allocation of export development resources.

In addition, Mr. Wilson said that some of the report's recommendations are in areas already being reviewed by the Export Development Corporation (EDC).

EDC, for example, is examining the administrative burden involved in export loans for small transactions, something which the 'Hatch Report' pointed out was particularly onerous for small exporting businesses.

EDC is also examining ways to make more extensive use of lines of credit as well as note purchasing arrangements whereby it could buy from the exporter a debt instrument issued to him by a foreign customer.

Mr. Wilson said EDC is announcing a new kind of coverage under its short and medium term insurance policies, and is examining all aspects of its insurance facilities, including the feasibility of providing new programs for first-time exporters.

EDC also is announcing long term financing support for services exports, including engineering services and project feasibility studies.

The Minister concluded by saying "the 'Hatch Report' is strongly in support of government and the private sector working together to get the most out of Canada's tremendous

export potential. This is very much in line with the Government's thinking. The enhancement of the country's export performance is a top priority of the government."

FOR ADDITIONAL INFORMATION CONTACT:

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Mr. M.D. Moore (995-8356)
Distribution (996-0266)

For release/Pour publication

Tuesday, 12/2/80 - 8:00 a.m.

CLOTHING AND TEXTILE EXPORT RESTRAINT ARRANGEMENT WITH MALAYSIA

27/80

OTTAWA, February 12, 1980 -- Industry, Trade and Commerce Minister Robert R. de Cotret announced today that Canada has concluded a bilateral export restraint arrangement with Malaysia on selected textile items. The arrangement, beginning January 1, 1980, for a two year period, covers men's and boys' tailored collar shirts, women's, girls', children's and infants' shirts and blouses and acrylic yarn.

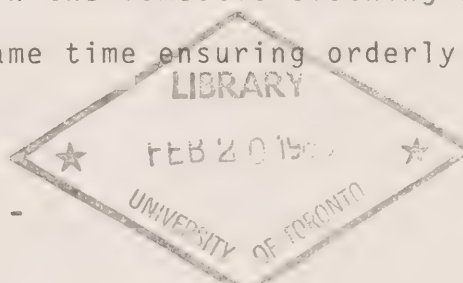
Surveillance of imports indicated that an increase of certain clothing and textile products from Malaysia would occur in 1979 and continue into 1980. In order to avoid the threat of injury to Canadian producers, negotiations establishing an export restraint were concluded with Malaysia in January. This action is intended to maintain stability in the domestic clothing and textile industries, while at the same time ensuring orderly and equitable development of trade.

- 30 -

FOR MORE INFORMATION, CONTACT:

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M. M.D. Moore (995-8356)
Distribution (996-0266)

For release/Pour publication

Mardi, 12/2/80 - 8:00

Subject/Sujet

ACCORD DE LIMITATION DES EXPORTATIONS DE VÊTEMENTS
ET TEXTILES AVEC LA MALAYSIA

IT&C 27/80

OTTAWA, le 12 février 1980 -- Le ministre de l'Industrie et du Commerce, M. Robert R. de Cotret, a annoncé aujourd'hui que le Canada avait conclu avec la Malaysia un accord bilatéral de limitation des exportations de certains produits textiles. Cet accord est entré en vigueur le 1^{er} janvier 1980 pour une période de deux ans et touche les exportations de chemises avec col tailleur pour hommes et garçons, de chemises et de blouses pour femmes, fille enfants et bébés et de filés acryliques.

Le système de contrôle des importations nous a permis de constater une augmentation en 1979 des importations de certains vêtements et produits textiles de Malaysia et cette tendance semblait vouloir se maintenir pour 1980. Une entente a donc été conclue en janvier avec la Malaysia limitant les exportations de ce pays pour empêcher que cette hausse ne menace les producteurs canadiens et pour conserver une certaine stabilité des industries canadiennes de vêtements et de textiles, tout en assurant une expansion disciplinée et équitable du commerce.

- 30 -

POUR PLUS DE RENSEIGNEMENTS:

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J.W. Mitchell (593-7851)
Distribution (996-0266)

For release/Pour publication

Tuesday, 12/2/80 - 11:00 a.m.

START OF NEW LONG-TERM PROGRAM FOR SMALLER AND
MEDIUM-SIZED BUSINESS

26
/80

OTTAWA, February 12, 1980 -- The Honourable Ron Huntington, Minister of State for Small Business and Industry, today announced the start of a new program which will assist smaller and medium sized Canadian companies to obtain term financing from 5 to 20 years and for amounts up to \$5 million.

This new federal program provides reinsurance for insurance companies, licensed by the Federal Superintendent of Insurance as 'Credit Insurers'. The reinsurance covers 'excess loss', which may be incurred by credit insurers who have underwritten appropriately secured, longer term debt of smaller and medium sized companies. New Insurance Companies for this purpose are presently in the process of being organized in the private sector.

The insurance of loans by these new facilities is intended to eliminate any risk of loss that may otherwise exist for a lender. It will also make these insured loans an eligible investment for many 'regulated' pools of long term savings. The intention of this federal initiative is to make a wide range of sources of long term funds available for investment in such insured debt.

The federal reinsurance program is designed to assist materially in the credibility, and market acceptance of these new Credit Insurance Companies and the debt insured by them, during the early years of operation. The reinsurance premiums are calculated, and will be adjusted periodically, so that the federal program will be operated on a non-subsidy, breakeven basis. The program is administered by the Department of Industry, Trade and Commerce with the support of the Department of Insurance. The initial reinsurance risk limit authorized is \$600 million.

Mr. Huntington described the program as a much-needed private sector development, with the Government's role limited to providing appropriate support without subsidy. He stated that it is essential for the very productive, entrepreneurial, smaller to medium sized companies in Canada to obtain a fairer and more reasonable slice of the long-term savings of Canadians. Statistics indicate that these companies represent the greatest potential for employment growth in Canada. The objective is to make these companies more efficient and competitive relative to their large national and international competitors.

There are over 12,000 companies in Canada with assets between \$1 and \$25 million. The large majority of these companies are controlled and owned in Canada and are engaged in manufacturing, processing and trade. It is those fields of endeavour which this federal program is specifically designed to assist in becoming more efficient and competitive.

This new program was developed through intensive consultation and co-operation between the government and the private sector over the past 18 months. As a result, it has been improved and broadened in its application, from the original concept. It is intended to compliment the activities of the Federal Business Development Bank, the Small Business Loans Act, and various excellent Provincial Government programs, all designed to assist the financing of smaller companies. It will also compliment the traditional short and medium term lending facilities of the Canadian banking system.

The last five years have seen rapid growth in the pools of savings in Canada and the placing of these savings in large financial institutions, the fastest growing of which are the pension funds. This trend in saving will continue, but traditional outlets for these pools will shrink as capital markets undergo significant changes during the next 10 years. Demographic forecasts suggest that the mortgage markets will not take up as

large a proportion of public funds as they do today. The same is true of government debt because public borrowings are expected to decline substantially in the 1980's.

The program is judged as an effective way to increase the flow of savings from institutions such as the pension funds and other large pools of savings in Canada into highly productive uses in the economy. At the present time, these institutions provide only nominal financing to smaller companies which are viewed as risky and more costly investments than mortgages, prime corporate securities and government bonds. The main effect of the new measure will be to make loans to these companies more attractive investment opportunities.

FOR FURTHER INFORMATION, CONTACT:

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Contact/Liaison

Mr. W.B. Schumacher (996-9028)
Distribution (996-0266)

For release/Pour publication 10:30 a.m. --

Wednesday, February 13, 1980

Subject/Sujet

FEDERAL ASSISTANCE FOR OTTAWA CONVENTION CENTRE

C 28/80 OTTAWA, February 13, 1980 -- The Honourable Walter Baker announced today on behalf of the Minister of Industry, Trade and Commerce that the Federal Government will provide funding for the construction of the Convention facility in the Rideau Centre Project.

Mr. Baker explained that it is Federal Government policy to pay for 25% of the capital cost for the construction of new Convention Centres providing that certain criteria were met. The submission by the regional municipality of Ottawa Carleton, which has projected at total capital cost of some \$36 m., has satisfied the criteria established by Cabinet.

Mr. Baker noted that the Convention Centre conformed with the Government's general objective of diversifying the economy of the Ottawa area.

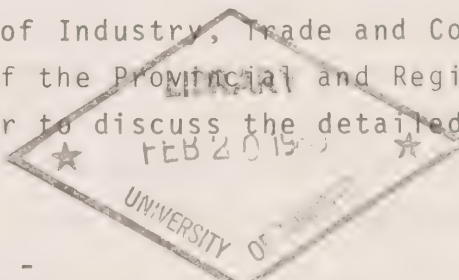
He said: "The potential for the tourism industry in this region is enormous and it is the Government's intention to ensure that this potential is fully realized."

Officials of the Department of Industry, Trade and Commerce will be meeting with representatives of the Provincial and Regional Governments in the near future in order to discuss the detailed financial arrangements.

- 30 -

For more information contact: Mr. W.B. Schumacher,
Director Operations,
Trade Commissioner Service & Cdn. Reg. Office
(34)

Industry, Trade and Commerce,
Ottawa, Ontario.
K1A 0H5





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W.B. Schumacher (996-9028)
Distribution (996-0266)

For release/Pour publication

10h30

Mercredi, 1e 13 février 1980

Subject/Sujet

AIDE FEDERALE A LA CONSTRUCTION DU CENTRE DE CONGRES D'OTTAWA

OTTAWA, 1e 13 février 1980 -- L'honorable Walter Baker a annoncé aujourd'hui au nom du ministre de l'Industrie et du Commerce que le gouvernement fédéral contribuera financièrement à la construction du pavillon des congrès du futur Centre Rideau.

M. Baker a expliqué qu'il est de la politique du gouvernement fédéral de payer 25% des coûts d'immobilisation de la construction des nouveaux centres de congrès à condition que certains critères soient respectés. La proposition de la municipalité régionale d'Ottawa-Carleton, qui comporte un coût projeté d'immobilisation de \$36 millions environ, a satisfait aux critères établis par le Cabinet.

M. Baker a fait remarquer qu'un tel centre de congrès est conforme aux objectifs généraux du gouvernement de diversification de l'économie de la région d'Ottawa.

Il a déclaré: "Il existe d'énormes possibilités touristiques dans la région d'Ottawa, et le gouvernement désire s'assurer qu'un tel potentiel soit pleinement exploité."

Des représentants du ministère de l'Industrie et du Commerce rencontreront prochainement leurs homologues des gouvernements régional et provincial, afin de discuter des détails des arrangements financiers.

- 30 -

POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A:

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CAI
TI
N26
Mr. N. Gardner (995-3201)
Distribution (996-0266)

For release/Pour publication

Wed. Feb. 14, 1980 - Noon

INTERMEDIATE CAPACITY TRANSIT SYSTEM DEMONSTRATION
IN HAMILTON, ONTARIO

C 29/80

OTTAWA, February 14, 1980 -- Representing the Federal Minister of Industry, Trade and Commerce, the Honourable Lincoln Alexander and the Honourable Donald Mazankowski today announced support for the Canadian urban transit industry.

The Federal Government has agreed in principle to provide funding up to \$32.8 million towards a revenue demonstration of a new Canadian-designed urban transportation system at Hamilton, Ontario. The federal contribution will cover systems engineering and vehicle prototype costs. The remainder of the funds will be borne by the Government of Ontario and in part by the Region of Hamilton - Wentworth.

The federal decision to participate acknowledges the contribution which efficient urban transportation can make towards energy conservation and reduced traffic congestion in urban centres.

The new systems, technically referred to as an Intermediate Capacity Transit System, has been developed by the Urban Transportation Development Corporation (UTDC), a company wholly owned by the Government of Ontario.

A new company is being formed to design, manage and construct the Hamilton system by those firms which have participated in the development to date. The opportunity exists for minority ownership ownership to be acquired by interested provincial

governments. Industrial involvement across Canada will be encouraged to ensure that the new company will have national character and scale.

The initial development costs of approximately \$61 million have been borne by the Government of Ontario. The new company will have rights to further develop and market the technology. It is planned to undertake a second demonstration project in a province outside Ontario. No royalties will be paid to UTDC in respect of the demonstration projects.

Canada has achieved a position of leadership in urban transportation technology. A unique test facility, operated by the UTDC in Kingston, Ontario, has been built to develop and test several new technologies which will be introduced in the Hamilton project. New developments include: linear induction electric propulsion, low-noise steerable guided rail suspension, automated control and new fabrication techniques.

The need for improved urban transportation systems is developing rapidly world-wide and the opportunities for export sales of Canadian systems and equipment are excellent. This federal contribution is thus an important component of an industrial and trade development strategy to equip the Canadian industry to meet Canadian and world urban transportation needs.

FOR MORE INFORMATION:

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Contact/Liaison

Mr. B. Shaw (995-3201)

For release/Pour publication

Immediate

Subject/Sujet

CHALLENGER E AIRCRAFT PRODUCTION TO GO AHEAD

C 2/80

OTTAWA, March 27, 1980 -- The decision of the federally owned Canadair Ltd. to go ahead with the production of its Challenger E aircraft, a stretched version of the advanced technology Challenger business jet, is fully supported by the federal government.

The Hon. Herb Gray, Minister of Industry, Trade and Commerce, said the company has received 165 firm orders and options, worth about \$1 billion for its Challenger and Challenger E aircraft. In addition, he said, another 30 options are under active negotiation.

Business potential is around 400 of these aircraft through the late 1980s, worth more than \$3 billion.

The production decision will mean new jobs but more importantly job security in the long term for the company's approximately 5,500 employees in Quebec.

It will also affect the employees of 1,578 Canadian companies that Canadair deals with, 1,118 of them in Quebec. More than 60 per cent of Canadair's Canadian expenditures go to Quebec firms, mostly in the advanced technology areas.

"The decision to go ahead with production of Challenger E," Mr. Gray said, "should expel all notion that Canada is incapable of growth in high technology areas."

"It will place Canada clearly out front as the unchallenged world leader in the production and sales of advanced technology, top-of-the-line business aircraft for the balance of this century."

The Challenger E is being developed in response to world-wide demand for an aircraft with greater range and seating capacity than the standard Challenger. The Challenger E will carry 15 passengers in a typical corporate interior and 36 to 40 passengers in an airline configuration. It will be capable of flying non-stop from Montreal to Athens.

Contact/Liaison

A. L. Halliday Tel.: (613) 995-2218

For release/Pour publication

IMMEDIATE

Subject/Sujet

PACIFIC RIM CONFERENCE - NOV. 19-21, 1980 - VANCOUVER

T3/80 OTTAWA, May 7, 1980 -- The Honourable Ed Lumley, Minister of State for Trade will be the Chairman of the Pacific Rim Conference to be held in Vancouver from November 19 to 21, 1980.

The conference, which is part of the federal government's plans to strengthen Canada's relations with the Pacific Region will involve business, labour and academic leaders as well as representatives of federal and provincial governments.

Mr. Lumley has said that the Government recognizes the importance of trade with the Pacific region for the economic and industrial development of Western Canada. The Pacific region is one of the fastest growing regions of the world with a projected economic growth of 8% for the 1980's. Canada's trade with the region, much of which originated in Western Canada, amounted to \$11.1 billion in 1979.

The Government is developing a detailed proposal for the conference and will be seeking the views of business and labour groups in developing an agenda. It is expected that the Conference will address major topics in Canada's relations with Western Pacific nations.

- 30

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CAI
- T3
- N26

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Industry, Trade and Commerce / Industrie et Commerce

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Contact / Liaison

M.M. Brennan

995-3201

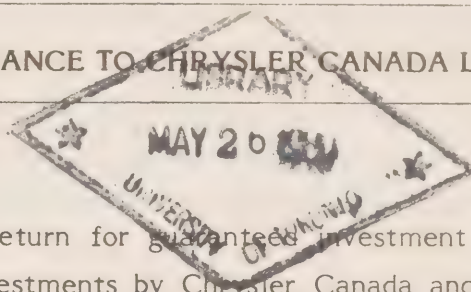
For release / Pour publication

IMMEDIATE

Subject / Sujet

CANADIAN GOVERNMENT ASSISTANCE TO CHRYSLER CANADA LTD.

I&C 4/80



OTTAWA, May 10, 1980 -- In return for guaranteed investment levels of approximately \$1 billion and other investments by Chrysler Canada and Chrysler Corporation, the federal government will guarantee \$200 million to the company in loans by private sector financial institutions. The investments, outlined in Chrysler's corporate plan, will lead to an employment level of 15,900 by 1984.

In making the announcement today, federal Industry, Trade and Commerce Minister Herb Gray said the federal government's assistance is subject to a number of conditions.

Chrysler Canada must invest approximately \$1 billion in Canada in the period 1980-85. Four hundred million dollars of this investment, and a specific project for which the loan guarantees must be used, will be for the conversion and expansion of Chrysler's existing van plant to produce a new small fuel-efficient van/wagon to be built exclusively in Canada.

Chrysler will also spend more than \$250 million to improve existing production facilities and to build one of the new lines of front wheel drive small cars to be introduced in 1983.

Also, more than \$300 million will go to improving several existing assembly and manufacturing operations.

In recognizing the difficulty of projecting automotive job figures through to 1986, the Minister said that Chrysler has agreed in addition to the providing of target employment figures, to maintain the historic ratio of U.S. to Canadian jobs (11% of U.S. total) from 1982 to 1986. During the restructuring phase (1980-81) that figure is based on a 9% average.

Deviation from either the investment financing and facilities outlined in the corporate plan, or from the employment commitments is possible only with the Minister's approval.

Mr. Gray outlined the consequences that would result from failure of Chrysler Canada. There are 40,000 jobs across Canada directly dependent on the company: some 16,000 in dealerships; 10,000 employed by parts suppliers; and 14,000 employed by the company.



Chrysler Canada also agreed to commitments concerning the sourcing of Canadian products, and research and development activities in connection with the van/wagon. This will be assisted by Chrysler's agreement to restructure the Canadian operations to increase its autonomy.

The federal government has obtained the right to appoint a Director to the Board of Directors of Chrysler Canada Ltd. Also, the Government of Canada will receive all reports that Chrysler Corporation provides to the U.S. Loan Guarantee Board.

Chrysler Corporation, the parent company, must successfully negotiate their full financial package with the Chrysler Corporation Guarantee Board in the United States.

An equity position in the company was rejected. However, Canadian taxpayers will have an opportunity to share in the future success of the company it is now assisting under an arrangement which provides an option to purchase up to 11.3% of the number of warrants of Chrysler Corporation being made available to the U.S. government.

Chrysler Corporation has agreed to ensure that transfer pricing practices do not operate to the detriment of the Canadian company.

One feature of the negotiations has been that the U.A.W. has been consulted on certain aspects relating to the agreement.

In addition, the Ontario Government has agreed to provide a \$10 million grant to Chrysler Canada to establish a Research and development facility related to aluminum and plastic applications.

Mr. Gray emphasized three important aspects of the agreement:

- 1- The government, insisted on a condition that none of the facilities of Chrysler Canada can be closed without obtaining his approval.
- 2- Employment levels in Canada will be maintained at levels proportional to those in the United States.
- 3- Chrysler Corporation has agreed to review with the Minister, once the van/wagon plant is in operation, the concept of moving the relationship between employment in Canada and the United States closer to the relationship between sales in Canada and the U.S.

FOR MORE INFORMATION, PLEASE CONTACT:

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R.G. Sandor (996-5381)

For release/Pour publication

Immediate

MISSION MEMBERS ENTHUSIASTIC OVER NEW ZEALAND, AUSTRALIAN OPPORTUNITIES

OTTAWA, June 11, 1980 -- Estimates of up to \$100 million in sales over the next two years have been reported to the Hon. Ed Lumley by the businessmen who accompanied him on a trade mission to Australia and New Zealand last month.

The Minister of State for Trade remarked that this level of sales exceeds all expectations of the mission, which visited seven major commercial centres in the two countries. This was the first trade mission led by a Canadian Minister to the area in 11 years.

Mr. Lumley was accompanied by 32 businessmen from across Canada and they met with 1,400 businessmen during the hectic trip between May 11 and 21.

Sales contracted for during the mission include the signing of a \$4-million plus contract for a replenishment at sea system for the Royal Australian Navy by John T. Hepburn Ltd. and a letter of intent and down payment to deHavilland Canada for the sale of three Dash-8 aircraft valued at \$15 million.

As evidence of the impact and potential for further sales, Mr. Lumley noted that more than a dozen companies intend to send their export officers back to the area in the next month. He added that three of the companies received orders in the area for the first time. Ten companies entered into joint venture agreements with Australian and New Zealand companies and five companies had tendered on projects in the area for the first time.

Several mission members said that to enter or expand in this more than \$20 billion annual import market during the 80s a joint venture arrangement is a prime requirement. One of the Minister's initiatives which was well received during the visit was the establishment of joint ventures as vehicles not only to penetrate the New Zealand and Australia markets but also to gain entry to third markets in Southeast Asia, thus providing more formidable competition to the larger U.S., Japanese and European companies.

Mr. Lumley said that one of the major barriers to expanded trade between Canada and Australia and New Zealand was a general lack of knowledge about Canadian expertise and capabilities.

The mission helped Canadian exporters to overcome this information gap by providing them with the opportunity to meet government leaders and many business leaders across the two countries. Further, the Minister in speeches emphasized that Canadian expertise and competitiveness in many of the expanding sectors in the two countries was second to none.

Australia and New Zealand have projected resource developments worth more than \$50 billion over the next decade. Canadian opportunities in these projects lie chiefly in resources, infrastructure and machinery sectors and high quality consumer products.

It is largely because of this planned development that most mission members are confident they can make multi-million dollar sales over the next few years.

During the mission, Mr. Lumley signed Double Taxation Conventions with both countries which make it easier to set up joint ventures and licensing arrangements.

He also announced the establishment of a \$10 million revolving line of credit by the Export Development Corporation to the Australian Industry Development Corporation to finance up to 85 per cent of the cost of Canadian goods and services purchased by Australian companies. Mission members expected that this line of credit would be rapidly drawn on.

FOR FURTHER INFORMATION, CONTACT:

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NOTE: Copies of speeches given by the Minister in Australia and New Zealand are available on request.

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Industry, Trade and Commerce Industrie et Commerce

Contact/Liaison

For release/Pour publication

995-6384

Immediately

Subject/Sujet

CAPITAL INVESTMENT INTENTIONS SURVEY OF LARGE CORPORATIONS

ITC 9/80OTTAWA, June 11, 1980 - The Honourable Herb Gray, Minister of Industry, Trade and Commerce today released the highlights of the Spring 1980 Large Firm Survey of Business Capital Investment carried out by his Department.

The Survey results suggest that business capital investment in 1980 again will be a source of strength for the growth of the Canadian economy, as it was in 1979. The results from this survey of large firms cannot be directly related to the economy as a whole, nevertheless, after adjustments, they suggest that for 1980 business spending on new plant and equipment in the Canadian economy (excluding housing) may be up by 5-7 percent in real terms. This is lower than the 10 percent reported in the National Accounts for 1979, but still compares favourably with the growth rates of the 1976 to 1978 period.

HIGHLIGHTS OF THE SURVEY

The Aggregate Picture:

Currently the 300 companies reporting in the Survey expect that their real capital spending will increase by about 15 percent in 1980 over the revised 1979 level. It should be noted that the spending patterns of the surveyed firms may differ from those of smaller companies and from the spending patterns of the sectors not covered by the Survey. The 15 percent increase, therefore, cannot be extended directly to the economy as a whole. However, after adjustment, this result suggests that the actual increase in the level of real business spending on new plant and equipment in the Canadian economy (excluding housing) may be in the 5-7 percent range for 1980.

Responding firms expect their level of spending (constant 1979 dollars) on new plant and equipment for 1980 to be about \$25 billion (Table 1). This is an increase of about half a billion dollars or an upward revision of about 2 percent from the plans for 1980 reported by these same companies in October 1979.

Outlook for Manufacturing:

The optimistic outlook for large firm capital spending in 1980 reported in the October Survey continues to be evident in the manufacturing sector. Spending by manufacturing firms in 1980 on new plant and equipment is now expected to be about \$6.4 billion (constant 1979 dollars) or 36 percent above the revised 1979 level of spending. This level of spending represents an increase of about \$125 million from the plans reported last October and can be attributed largely to forest product companies and several firms in the "other manufacturing" industry. Transportation equipment, primary metals and forest products show the largest year to year increases for 1980.

Outlook for Non-Manufacturing:

Present spending plans for the non-manufacturing sector in 1980 are somewhat higher than reported in October 1979. A real increase of about 9 percent to a level of \$19 billion, is indicated for 1980. Notable strength is now apparent in oil and gas pipelines as well as in the mining industry. However, spending plans of electric utilities for 1980 continue to be weak with an anticipated volume decline of 1.9 percent.

Public Compared to Private Capital Spending:

Private spending on plant and equipment by the large firms is expected to increase this year by 23 percent in real terms and accounts for all of the between survey upward revisions to the total capital spending plans for 1980 reported in this Survey. Capital spending in the public portion of the business sector is now expected to increase by less than 1 percent in 1980. Public sector capital spending is heavily weighted by provincial electric utilities.

Cost of Capital Goods:

The average cost adjustment factor or inflation rate used by the large firms in their capital budgets for 1980 is now about 9 percent over the cost level for 1979; up from the 8.6 percent reported six months ago.

Purpose of Investment:

Of the 300 corporations in the Survey panel, 267 reported the breakdown of their capital spending by purpose; thus, about 85 percent of the total reported capital spending for 1980 was allocated to a specific purpose. Although the larger portions of capital spending continue to be in new facilities at new sites and the expansion of facilities at existing sites, there are some shifts occurring. The proportion of capital spending for research and development has increased from 0.9 percent in 1979 to 1.4 percent in 1980 and the absolute dollar amount has doubled.

Tentative Medium Term Investments:

Capital investments of about \$4.6 billion were not included by the large corporations in the capital spending plans but were nevertheless thought to hold high potential for introduction over the medium term. The largest of these possible investments are attributable to oil and gas companies (about \$1 billion) and oil and gas pipelines (about \$1 billion). On a regional basis, Ontario (about \$1.5 billion) and the British Columbia region (about \$1.2 billion) would absorb the major proportions of these investments.

Factors Affecting Outlays:

As noted in earlier surveys, federal government industry specific economic policies were again the most often cited factor affecting both current and tentative outlays. The cost of funds is a current concern, however, exchange rates and rates of return were less frequently mentioned than in the last Survey as factors affecting outlays.

Other Highlights:

- On a regional basis, Ontario and British Columbia are notable areas of strength.
- During 1980 the manufacturing companies in the Survey panel expect to operate at 88 percent capacity - about the same level as in 1979.
- Sales are expected to advance by about 14 percent, in current dollar terms, above the 1979 level.
- Foreign owned firms show a higher rate of increase in capital spending in Canada for 1980 than do domestic majority owned firms (22 percent versus 11 percent).
- A comparison of this Survey's results with those of the October 1979 Survey shows a strengthening of earlier investment plans for 1981 to 1984 in both the manufacturing and non-manufacturing sectors. The medium term strength is primarily due to the expansion of existing plans and the introduction of new plans.
- Based upon 86 companies in the Survey panel, capital investment abroad is expected to increase by about 23 percent in current dollar terms.

BACKGROUND OF THE SURVEY

The purpose of the IT&C Survey is to provide intelligence on the corporate capital investment decision-making process and to generate timely material for Departmental policy and planning decisions.

The results of the Survey reflect capital investment plans reported during the interview period and are obviously subject to change as the economic climate for business unfolds.

The Survey panel is comprised of about 300 large companies which participate on a voluntary basis. Since these companies are not randomly selected the overall results from the Survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

Historically, the companies in the panel have accounted for about two-thirds of non-agricultural business capital investment, excluding housing. The total investments of a company are allocated on a "main line of business" basis. For example, all investment of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

The Spring 1980 Survey was conducted during the month of April 1980.

TABLE 1

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA
(Constant 1979 \$ Millions)

Industry	1979 Reported in Oct. 1979	1979 Reported in Apr. 1980	1980 Reported in Oct. 1979	1980 Reported in Apr. 1980
Food & Beverages	362.7	368.2	398.3	395.0
Forest Products	1,116.6	1,166.4	1,549.4	1,600.0
Primary Metals	860.0	839.2	1,228.9	1,237.0
Chemicals	646.0	621.3	600.7	623.2
Transportation Equip.	624.5	588.6	1,224.3	1,193.5
Other Manufacturing	1,191.2	1,135.2	1,269.7	1,348.2
<u>Total Manufacturing</u>	<u>4,801.0</u>	<u>4,718.9</u>	<u>6,271.3</u>	<u>6,396.9</u>
Mining Companies	1,020.1	1,004.6	1,420.5	1,511.4
Oil & Gas Companies	4,849.2	4,864.4	5,030.0	5,383.3
Oil & Gas Pipelines	725.7	647.0	619.0	966.5
Transp. & Storage	1,328.8	1,246.5	1,329.3	1,312.2
Communications	2,153.4	2,075.2	2,319.8	2,201.9
Electric Utilities	6,649.7	6,454.8	6,535.4	6,333.2
Trade, Finance & Other Commercial	1,140.4	1,118.0	1,351.4	1,337.8
<u>Total Non-Manufacturing</u>	<u>17,867.3</u>	<u>17,410.5</u>	<u>18,605.4</u>	<u>19,046.3</u>
<u>TOTAL</u>	<u>22,668.3</u>	<u>22,129.4</u>	<u>24,876.7</u>	<u>25,443.2</u>

* Only those firms which reported for the April 1980 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA
(Constant 1979 \$ Millions)

Industry	Revisions between April 1980 & October 1979 Surveys (Percent Change)		1980/79 Year to Year (Percent Change)	
	1979	1980	Reported in Oct. 1979	Reported in Apr. 1980
Food & Beverages	1.5	- 0.9	9.8	7.2
Forest Products	4.4	3.2	38.7	37.1
Primary Metals	- 2.5	0.6	42.8	47.4
Chemicals	- 3.9	3.7	- 7.1	0.3
Transportation Equip.	- 5.8	- 2.6	96.0	102.7
Other Manufacturing	- 4.8	6.1	6.5	18.7
<u>Total Manufacturing</u>	<u>- 1.8</u>	<u>2.0</u>	<u>30.6</u>	<u>35.5</u>
Mining Companies	- 1.6	6.3	39.2	50.4
Oil & Gas Companies	0.3	7.0	3.7	10.6
Oil & Gas Pipelines	-10.9	56.1	-14.8	49.3
Transp. & Storage	- 6.2	- 1.3	0.0	5.2
Communications	- 3.7	- 5.1	7.7	6.1
Electric Utilities	- 3.0	- 3.1	- 1.8	- 1.9
Trade, Finance & Other	- 2.0	- 1.1	18.5	19.6
Commercial				
<u>Total</u>				
<u>Non-Manufacturing</u>	<u>- 2.6</u>	<u>2.3</u>	<u>4.1</u>	<u>9.3</u>
<u>TOTAL</u>	<u>- 2.4</u>	<u>2.2</u>	<u>9.7</u>	<u>14.9</u>

* Only those firms which reported for the April 1980 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 3

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA
(Current Dollars Millions)

Industry	1979	1979	1980	1980
	Reported in Oct. 1979	Reported in Apr. 1980	Reported in Oct. 1979	Reported in Apr. 1980
Food & Beverages	362.7	368.2	430.7	433.7
Forest Products	1,116.6	1,166.4	1,689.5	1,752.7
Primary Metals	860.0	839.2	1,331.2	1,363.5
Chemicals	646.0	621.3	651.5	680.3
Transportation Equip.	624.5	588.6	1,324.1	1,297.8
Other Manufacturing	1,191.2	1,135.2	1,366.4	1,459.6
<u>Total Manufacturing</u>	<u>4,801.0</u>	<u>4,718.9</u>	<u>6,793.4</u>	<u>6,987.6</u>
Mining Companies	1,020.1	1,004.6	1,556.2	1,646.7
Oil & Gas Companies	4,849.2	4,864.4	5,494.8	5,898.5
Oil & Gas Pipelines	725.7	647.0	667.2	1,055.4
Transp. & Storage	1,328.8	1,246.5	1,451.6	1,436.8
Communications	2,153.4	2,075.2	2,499.2	2,381.5
Electric Utilities	6,649.7	6,454.8	7,071.2	6,880.2
Trade, Finance & Other	1,140.4	1,118.0	1,466.6	1,448.0
Commercial				
<u>Total</u>				
Non-Manufacturing	<u>17,867.3</u>	<u>17,410.5</u>	<u>20,206.8</u>	<u>20,747.1</u>
<u>TOTAL</u>	<u>22,668.3</u>	<u>22,129.4</u>	<u>27,000.2</u>	<u>27,734.7</u>

* Only those firms which reported for the April 1980 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 4

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA
(Current Dollars Millions)

Industry	Revisions between April 1980 & October 1979 Surveys (Percent Change)		1980/79 Year to Year (Percent Change)	
	1979	1980	Reported in Oct. 1979	Reported in Apr. 1980
Food & Beverages	1.5	0.6	18.7	17.7
Forest Products	4.4	3.7	51.3	50.2
Primary Metals	- 2.5	2.4	54.7	62.4
Chemicals	- 3.9	4.4	.8	9.4
Transportation Equip.	- 5.8	- 2.0	112.0	120.4
Other Manufacturing	- 4.8	6.8	14.7	28.5
<u>Total Manufacturing</u>	<u>- 1.8</u>	<u>2.8</u>	<u>41.4</u>	<u>48.0</u>
Mining Companies	- 1.6	5.8	52.5	63.9
Oil & Gas Companies	0.3	7.3	13.3	21.2
Oil & Gas Pipelines	-10.9	58.1	- 8.1	63.1
Transp. & Storage	- 6.2	- 1.1	9.2	15.2
Communications	- 3.7	- 4.8	16.0	14.7
Electric Utilities	- 3.0	- 2.8	6.3	6.5
Trade, Finance & Other	- 2.0	- 1.3	28.6	29.5
Commercial				
<u>Total</u>	<u>- 2.6</u>	<u>2.6</u>	<u>13.0</u>	<u>19.1</u>
Non-Manufacturing				
<u>TOTAL</u>	<u>- 2.4</u>	<u>2.7</u>	<u>19.1</u>	<u>25.3</u>

* Only those firms which reported for the April 1980 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

FEDERAL GOVERNMENT OUTLINES NEW PROGRAM OF AID TO TRADE AND CONVENTION CENTRES

IT&C 11/80

TORONTO, June 16, 1980 -- Federal Industry, Trade and Commerce Minister Herb Gray announced today that Toronto and Montreal will be the first cities to benefit from a federal government program to help the construction of trade and convention centres.

Mr. Gray stated that the Cabinet will evaluate each application for federal assistance on its own merits, in the light of the following five principles:

- (1) federal assistance to be limited to the capital costs, including land, of trade and convention centres, and in no case will the federal assistance be used to cover the operating costs of the centres;
- (2) the federal contribution under this program for any one centre not to exceed 25% of the total estimated capital cost, including land, or the contribution of the provincial government concerned, whichever is less;
- (3) in any one year, total federal assistance under this program limited to a maximum of \$15 million, including land;
- (4) this federal government initiative not to cover any cost overruns; and

- (5) federal support limited to those centres which have been shown to be economically viable. Selection of qualifying trade and convention centres will reflect the priorities of regional requirements and opportunities.

Mr. Gray announced that, in accordance with the program, the trade and convention centre for Metropolitan Toronto will receive a federal government contribution of up to 25% of capital costs, including land, to a maximum of \$19 million. This contribution will be spread over several years.

The federal contribution to the Montreal Convention Centre of 25% of the estimated capital cost, including land, is being announced today in Montreal by Small Business Minister, Charles Lapointe and Regional Economic Expansion Minister, Pierre De Bané.

Mr. Gray noted that other applications for assistance are being received from centres such as Hamilton. Cabinet will consider each application in the light of the new program and the availability of funds.

Mr. Gray also indicated that this program does not preclude DREE from providing additional funding where this is authorized under General Development Agreements.

"It is estimated that there were 3,475 conventions in Canada last year, attracting some 1.4 million delegates, and generating approximately \$369 million in revenue. The federal government hopes this program will initially assist those cities already in competitive positions to expand this business" the Minister added.

FOR MORE INFORMATION, PLEASE CONTACT:

Mr. A. Chaiton
Office of the Hon. Herb Gray
235 Queen Street
Ottawa, Ontario
K1A 0H5

Tel: (613) 996-1880

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News Release

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Industry, Trade
and Commerce

Industrie
et Commerce

Contact/Liaison

For release/Pour publication

Mr. John Treleaven (613) 996-5546

IMMEDIATE

Subject/Sujet

MISSION TO MEXICO

5/80

OTTAWA, June 13, 1980 -- Trade Minister Ed Lumley will be leading a mission of 15 Canadian businessmen to Mexico on Monday, June 16, to pursue Canadian participation in priority Mexican development programs and projects identified during the visit to Canada of President José Lopez Portillo, May 26-28.

During the President's visit, an Industrial and Energy Co-operation Agreement was signed. The Agreement identifies sectors of priority interest to both governments. At the signing, President Lopez Portillo expressed his country's desire for closer economic ties with Canada and the need for more diversified industrial co-operation between the two countries, particularly in high technology areas.

Membership of the mission has been drawn up in response to Mexican interest in Canadian co-operation and participation in major projects in the telecommunications and satellite communications, transportation, nuclear, mining, forestry and fisheries sectors.

Members of the mission will meet Mexican ministers, senior business executives and public officials to pursue possibilities for investment, transfer of technology and supply of goods and services in relation to Mexican priorities in these sectors. The Minister will also be discussing bilateral trade and agricultural co-operation.

Mr. Ian Deans, Member of Parliament for Hamilton Mountain, will be accompanying the mission.

During 1979, Mexican imports rose by 50 per cent, with major increases concentrated in purchases of food products and capital equipment.

Canadian exports to that country, however, have remained fairly steady, rising from \$218 million in 1975 to \$236 million last year while our purchases from Mexico increased 12% to \$208 million.

While Mexican imports from Canada grew by only 3% in 1979, Canadian sales to Mexico jumped by 120% in the first quarter of 1980 pointing to the rich potential offered by this rapidly expanding market.

With its newly proven reserves of oil and gas, Mexico has experienced unprecedented growth in the last two years, with gross domestic product rising by 6.5% in 1978 and by 8% last year. About 700,000 new jobs are being created each year.

Attached is a list of mission members.

FOR FURTHER INFORMATION, CONTACT:

Mr. John Treleaven
Latin America Division
Western Hemisphere Bureau
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario
K1A 0H5

Tel.: (613) 996-5546

Mr. B.A. Beneteau,
President,
Northern Telecom Canada Limited,
Mississauga, Ontario.

Mr. James Donnelly,
President,
Atomic Energy of Canada Limited,
Ottawa, Ontario.

Mr. Michel Boudriau,
Conseiller Special Aux Affaires
Internationales,
Hydro-Québec,
Montreal, Quebec.

Mr. H. Bailey,
President,
CANAC Consultants Limited,
Montreal, Quebec.

Mr. J. Searle,
Senior Vice-President,
Genstar Construction Limited,
International Division,
Toronto, Ontario.

Mr. M.P. Hodson,
President,
SED Systems Incorporated,
Saskatoon, Saskatchewan.

Mr. Bernard de Langavant,
Vice-President Operations,
Frigex Inc.,
Montreal, Quebec.

Mr. Martin McKenna,
President,
J.K. Smit Limited,
Toronto, Ontario.

Mr. F.H. Ernst,
President,
B.G. Checo International Limited,
Montreal, Quebec.

Mr. André Gilbert,
(Chairman,
Canada-Mexico Businessmen's
Committee and Vice-President CALA)
SNC,
Montreal, Quebec.

Mr. J.L. Gordon,
Manager,
Caribbean & Central America,
Export Development Corporation,
Ottawa, Ontario.

Mr. Harold Wright,
Chairman,
Wright Engineers Ltd.,
Vancouver, B.C.

Mr. T. McGarrell,
Manager,
Pulp and Paper Section,
Dominion Engineering Works Limited,
Montreal, Quebec.

Mr. Henry Valle,
Vice-President,
Canadian Railway & Transit
Manufacturers Association,
and Vice-President,
Corporate Development,
Bombardier Inc.,
Montreal, Quebec.

Mr. John Lindsay,
International Sales Manager,
National Sea Products Limited,
Halifax, Nova Scotia.

Publications

Government of Canada Gouvernement du Canada
Industry, Trade and Commerce Industrie et Commerce

News Release Communiqué

Contact / Liaison	For release / Pour publication
Mr. M. Brennan (613) 996-4122	Immediate

Subject / Sujet
LOAN INSURANCE AGREEMENT WITH CHRYSLER TABLED IN HOUSE OF COMMONS

T&C 14/80

OTTAWA, June 26, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce today tabled the following documents in the House of Commons:

- 1) AGREEMENT TO PROVIDE LOAN INSURANCE
among
HER MAJESTY THE QUEEN IN RIGHT OF CANADA
acting through the
MINISTER OF INDUSTRY, TRADE AND COMMERCE
and
CHRYSLER CANADA LTD.
and
CHRYSLER CORPORATION
Dated, June 13, 1980
- 2) CHRYSLER CANADA LTD.
1980 - 1985
Operating and Financing Plan
May 10, 1980



- 30 -

Copies of these documents are attached.

FOR FURTHER INFORMATION, CONTACT:

Mr. M. Brennan
Director General
Transportation Industries Branch (53)
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario K1A 0H5
Tel.: (613) 996-4122 Ext. 200

AGREEMENT TO PROVIDE LOAN INSURANCE

AMONG

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

ACTING THROUGH THE

MINISTER OF INDUSTRY, TRADE AND COMMERCE

- AND -

CHRYSLER CANADA LTD.

- AND -

CHRYSLER CORPORATION

DATED JUNE 13, 1980

THIS AGREEMENT is made as of the 13th day of June 1980 AMONG:

HER MAJESTY THE QUEEN IN RIGHT OF
CANADA acting through the
MINISTER OF INDUSTRY, TRADE AND
COMMERCE (hereinafter called the
"Minister")

of the first part

- and -

CHRYSLER CANADA LTD., a company
incorporated under the laws of
Canada, (hereinafter called the
"Company")

of the second part

- and -

CHRYSLER CORPORATION, a company
incorporated under the laws of
Delaware, (hereinafter called the
"Corporation")

of the third part

WHEREAS the Company has requested financial
assistance from the Government of Canada,

WHEREAS the Minister, pursuant to Industry, Trade and
Commerce Vote 1a of Appropriation Act No. 1, 1980-81 is
authorized to insure a loan made for the purpose of promoting the
establishment, growth, efficiency or international competitive-
ness of Canadian industry and to foster the expansion of Canadian
trade to a person engaged in a manufacturing, processing or other
commercial activity, subject to terms and conditions prescribed
by regulations of the Governor in Council, and

[Handwritten signature]
RTH
[Handwritten signature]
[Handwritten signature]

WHEREAS the Governor in Council has made regulations prescribing the terms and conditions of such insurance by Order PC. 1980-1621 of the 13th day of June, 1980.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. In this Agreement the following terms shall have the following meanings, unless the context otherwise requires:

"Banks" means Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, The Royal Bank of Canada, The Toronto-Dominion Bank, National Bank of Canada and Bank of British Columbia and "Bank" means any one of them;

"Disbursement" means any disbursement or advance made by the Private Lender pursuant to the Loan Agreement;

"Loan" means the loan or loans referred to in paragraph 2;

"Loan Agreement" means the agreement between the Private Lender and the Company pursuant to which the Loan is made;

"Loan Insurance Agreement" means the loan insurance agreement to be entered into between the Minister and the Private Lender in respect of the Loan;

"Pillette Facility" means the Pillette Road van plant in Windsor, Ontario and such additional lands and buildings located thereon used in the production of the T115 van/wagon and machinery and equipment used therefor.

"Plan" means the Operating and Financing Plan of the Company for the years 1980-85 dated May 10, 1980, as it may be changed from time to time in accordance with paragraph 10;

"Private Lender" means a Bank to which the Bank Act applies, an insurance company to which the Canadian and British Insurance Companies Act applies, a trust company to which the Trust Companies Act applies or such other lender acceptable to the Minister, who enters into the Loan Insurance Agreement with the Minister;

"Project" means the conversion and expansion of the Pillette Facility referred to in paragraph 4;

"Trust Indenture" means the Trust Indenture between the Company and The Canada Trust Company dated as of May 15, 1980;

and terms in the singular include the plural and vice versa.

2. The Minister shall, in accordance with and subject to the terms and conditions set out in this Agreement, insure a loan or loans not to exceed in the aggregate \$200,000,000 made by the Private Lender to the Company.

3. The Private Lender shall accept a Loan Insurance Agreement which is acceptable to the Minister and which provides for the payment by the Private Lender of an insurance fee of 1% per annum based upon the amount of insurance in effect from time to time.

4. The Loan shall be used to assist in carrying out the Plan, including the \$1 billion investment in Canada during the period of years 1980-85 and, in particular, the Loan shall be used to finance the conversion and expansion of the Pillette Facility into a van/wagon plant in the years 1982 to 1984 together with the equipment required for the manufacture of the new T115 van/wagon. The estimated cost of construction, equipment and related expenses for the Project of approximately \$400,000,000 will be financed in part by the Loan and the balance will be financed from internally generated funds and other sources.

5. The Loan Insurance Agreement shall be entered into on or after the 1st day of January 1982 but not later than the 31st day of March 1984.

6. The Minister shall have no obligation to insure any Disbursement made after December 31st 1984.

7. Disbursements shall only be made for the purpose of financing the Project and they shall be made by the Private Lender in concert with and in equal proportion to other sources of financing for the Project up to a maximum principal amount of \$200,000,000 PROVIDED however that if the actual cost of the Project is less than \$400,000,000 the Minister may at his discretion, require that the Private Lender reduce the amount of the Loan "pro rata".

8. The aggregate amount payable by the Minister pursuant to the Loan Insurance Agreement shall not exceed \$200,000,000.

9. The Company shall repay the Loan over a period of not more than 5 years by way of equal quarterly payments of principal commencing on the last day of the quarter following a date which is 6 months after the van/wagon is first offered for sale to the public but not earlier than June 30, 1984. In any event the repayments shall start on December 31st, 1984 at the latest. In addition, interest shall be paid quarterly commencing on the last day of the quarter in which the Disbursement is made.

10. The Company shall conduct its business in accordance with the investment, financing, facilities and product plans described in the Plan as it may be changed from time to time; PROVIDED however that the Company shall not make any material change to the Plan without the prior written approval of the Minister. In particular, and without limiting the generality of the foregoing, the Company agrees not to permanently close a manufacturing plant or any other of the Company's facilities,

other than dealerships, operating on the effective date of this Agreement without the prior written approval of the Minister. (This paragraph does not apply to the Windsor 8 cylinder engine plant.)

11. (1) The Company shall maintain an average employment level in Canada of at least

(i) 9% for the period of calendar years 1980-81, and

(ii) 11% for the period of calendar years 1982-86 of

the average employment level of the Corporation in the United States during the same periods. In respect of the period of calendar years 1982-86 the Company shall, prior to November 15, 1981, provide to the Minister the Company's updated employment projections for each year and for each facility together with a comparison to the employment projections of the Corporation for the same period. The Company shall be deemed to have failed to meet the level of employment set out above if, at any time between November 15, 1981 and December 31, 1986 the Minister has reasonable grounds to believe that the projections for the period of calendar years 1982-86 are not realistic and that the level of employment for that period will be below the 11% level set out above.

(2) The percentages referred to in paragraph 11(1) above are based on the structure of the Corporation on the effective date of this Agreement. Where, through reorganization or otherwise, a substantial portion of the goods and services produced in house by the Corporation on the effective date of this Agreement is transferred to any of its subsidiaries, affiliates or joint ventures, the resulting employment for the subsidiaries, affiliates or joint ventures shall be deemed to be employment in the Corporation for the purposes of the calculations in paragraph 11(1).

(3) The Minister shall review periodically the performance of the Company towards meeting the proportional employment levels set out in paragraph 11(1) above and shall, in his sole discretion, determine whether any variation downward is justified.

12. The Company shall, in accordance with the Plan, invest a total of approximately 1 billion dollars in its Canadian operations over the period of calendar years 1980-1985, including the Project. The Company shall be deemed to have failed to meet the obligation imposed upon the Company by this paragraph 12 if at any time prior to December 31, 1985, the Minister has reasonable grounds to believe that the Company will not invest approximately 1 billion dollars in its Canadian operations in accordance with the Plan.

13. The Banks shall have restructured their outstanding loans to the Company prior to June 30th, 1980 as follows: The Company shall postpone any payment in respect of such indebtedness, as to principal, until September 30th, 1986. Such principal shall be repayable in equal quarterly instalments over a period of not less than five years starting on September 30th, 1986. The Banks shall have agreed that interest on such principal accrues at the rate of 15% per annum for a period of 4 years starting on the effective date of such restructuring. Further the Banks shall agree to forgive $2\frac{1}{2}\%$ of the interest and to a deferment of the payment of 7% of the interest until after the 4th anniversary of such restructuring. Any alteration to the conditions set out in this paragraph 13 will be subject to the prior written approval of the Minister, which approval shall not be unreasonably withheld PROVIDED however that any Bank shall, if permitted by law, have the right:

(a) to convert or reconvert from time to time all or any part of the principal amount owing to them into income debentures bearing interest at $\frac{1}{2}$ of the Canadian prime rate or $\frac{1}{2}$ of the United States base rate from time to time in effect at such bank, provided that the principal of such income debentures shall be

repayable in equal quarterly instalments over a five year period commencing September 30, 1986; and

(b) on June 30, 1984, and thereafter, to convert or reconvert from time to time all or any part of their deferred interest into income debentures provided that the principal of such income debentures shall be repayable in equal quarterly instalments over a five year period commencing June 30, 1984, bearing interest at the rate set out in paragraph (a) above.

14. The Corporation shall grant to the Company, until the Loan is repaid in full, an exclusive world-wide mandate to produce the van/wagons to be manufactured in the Pillette Facility. Pursuant to the terms of such a mandate the Corporation shall be prohibited, either directly or indirectly through its other subsidiaries or its affiliates or through joint ventures, to produce vehicles which are basically the same as the T115 van/wagon (similar configuration and capacity and intended to serve essentially the same purposes) even if such vehicles may have a different design or are technologically more advanced.

15. The Company shall, where practicable, carry on in Canada research and development with respect to its products and in particular, engineering support for the production of the van/wagons at a level which is acceptable to the Minister.

16. The Corporation and the Company shall as soon as possible after the effective date of this Agreement and in any event, prior to the effective date of the Loan Insurance Agreement submit a restructuring plan that is acceptable to the Minister. If such plan has not been completed within 4 months from the effective date of this Agreement, the Corporation and the Company shall, within that period, submit an interim restructuring plan acceptable to the Minister describing the changes that can be made pending the completion of the restructuring plan. The Corporation and the Company shall restructure their operations in accordance with the interim and

the final restructuring plans so that the Company's operations are in large measure, autonomous with respect to the purchasing, marketing and production functions, while remaining cost effective with its competitors.

17. The Company shall exercise reasonable efforts to source materials and components in connection with the Project and the production of vehicles and parts in Canada provided Canadian suppliers are able to meet timely availability requirements and are competitive with other potential suppliers in quality, performance and price.

18. The Corporation agrees that once the Company has started the production of van/wagons T115, it will review with the Minister the concept of moving the relationship between employment in Canada and the United States closer to the relationship between sales in Canada and the United States.

19. Prior to entry into the Loan Insurance Agreement, the Chrysler Corporation Loan Guarantee Board established by Section 3 of the Chrysler Corporation Loan Guarantee Act of 1979 (a United States statute) shall have made commitments to guarantee the payment of principal and interest on loans to the Corporation to the extent of \$1,500,000,000 U.S. and the Corporation shall have begun to draw down loans pursuant to such commitment.

20. If the actual cost of the Project is expected by the Company to exceed \$400,000,000 the Company shall inform the Minister in writing as soon as it becomes aware of this overrun and shall satisfy the Minister that the Company will have the funds to finance such overruns.

21. Starting on the effective date of this Agreement and until the Loan is repaid in full the Corporation and the Company shall submit to the Minister within 120 days of each fiscal year-end at least one copy of their annual audited consolidated

financial statements, including all schedules, signed by the auditor and accompanied by his report and within 60 days of the close of each of the first three fiscal quarters submit at least one copy of their interim unaudited consolidated financial statements including Balance Sheet and Statement of Profit and Loss signed by an authorized officer of the Corporation or the Company as the case may be.

22. Starting on the effective date of this Agreement and until the Loan is repaid in full the Corporation and the Company shall

- (i) consult on request with any representative of the Minister,
- (ii) forthwith, furnish to the Minister such additional financial and other information as to the affairs of the Company and the Corporation as the Minister may from time to time reasonably request and
- (iii) allow periodic examination and inspection of the Corporation's or Company's premises, accounts, books, records, memoranda, correspondence, documents and transactions by a representative of the Minister.

23. The Corporation and the Company shall as soon as possible after the effective date of this Agreement, but in any event prior to the effective date of the Loan Insurance Agreement, enter into a transfer pricing agreement satisfactory to the Minister to ensure that the transfer pricing practices between the two companies do not work to the detriment of the Company.

24. As soon as possible after the effective date of this Agreement the Corporation shall appoint a person designated by the Minister to the board of directors of the Company and such

person shall have all the rights and privileges enjoyed by the other directors of the Company. In addition, the Corporation shall supply to the Minister forthwith a copy of all the reports that the Corporation provides to the Chrysler Loan Guarantee Board.

25. The Company shall make no loans to, investments in or guarantees of indebtedness for borrowed money on behalf of others other than

(a) the purchase of short term debt instruments (90 days or less) issued by a Government, a government agency or a recognized financial institution,

(b) advances, investments or guarantees, in the normal course of business to or for the benefit of Chrysler Leasing Ltd. and the Company's retail subsidiaries,

(c) loans to the Corporation, or its subsidiaries to the extent that such loans are permitted by paragraph 26, and

(d) other loans in the normal course of business not to exceed \$5,000,000 in the aggregate outstanding at any point in time.

26. The Company shall comply with the following provisions of the Trust Indenture: Section 7.11 (relating to inter-company receivables), Section 8.1 (relating to consolidated net worth), and Section 8.2 (relating to restrictions on loans to the Corporation and its subsidiaries) as they may be amended from time to time with the prior written approval of the Minister.

27. The Company shall not dispose of assets or make a capital expenditure except as provided for in the Plan. (This paragraph does not apply to the Windsor 8 cylinder engine plant.)

28. The Company shall not pay any dividend or make any other distribution in cash or in kind in respect of its share capital from the effective date of this Agreement and for as long as the Loan Insurance Agreement is in force.

29. Where

(a) the Minister determines, in his sole discretion, that an adverse material change in risk has occurred since the effective date of this Agreement,

(b) the Company becomes bankrupt or insolvent, or has a receiving order made against it, or makes an assignment for the benefit of its creditors or if an order is made or resolution passed for the winding up of the Company or if the Company takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors,

(c) An Automatic Event of Default or a Commercial Event of Default, as such terms are defined in the Trust Indenture, shall have occurred and be continuing, or

(d) the Company or the Corporation is in default in respect of any of its obligations under this Agreement and such default is not remedied within 30 days (except for defaults under paragraph 26 above which can be remedied within the time limits set out in the Trust Indenture) and is continuing:

(i) the Minister shall have no obligation whatsoever to insure the Loan or any Disbursement; and

(ii) if the Loan or Disbursements have already been made, the Minister may demand that the Private Lender require repayment of the Loan and all the principal and interest shall become due and payable and shall be repaid by the Company forthwith provided that the rights set forth in this paragraph 29 (ii) shall not be exercisable in respect of a default under paragraph 29(d) above unless the Minister has given 30 days prior written notice to the Company and the Corporation; it being understood that the Private Lender shall have no authority to accelerate the maturity of the Loan or enforce any right under any collateral security for the Loan except at the specific written direction of the Minister.

30. The Company shall provide, and the private lender shall take, as minimum security for the Loan, and in a form satisfactory to the Minister the following:

(a) a first charge on the Pillette Facility (land, buildings, machinery and equipment) and

(b) a charge on all other fixed assets owned by the Company on the effective date of the Loan Insurance Agreement or acquired during the life of that Agreement, shared pari passu as a first charge with the Banks in respect of their restructured loan described in paragraph 13, and

(c) a floating charge on all the present and future property and assets of the Company, other than the property and assets described in paragraphs 30(a) and (b) above, ranking after the Banks' floating charge.

31. In addition to its other undertakings in the Agreement, the Corporation agrees that if it fails to maintain the Company as a viable business operation in Canada by the location or relocation outside of Canada of a substantial portion of the production or operations proposed or contemplated in the Plan to be carried out by the Company in Canada, the Corporation shall reimburse Her Majesty in right of Canada for any loss incurred by Her Majesty by reason of payments made by the Minister pursuant to the Loan Insurance Agreement unless such location or relocation of production or operations is directly attributable to:

- (a) Canadian Government legislation or regulations, or
- (b) market conditions or force majeure

which has a material adverse effect on the Company's business and renders the continuance of such production or operations in Canada not economically viable.

32. The Corporation shall issue and deliver to the Minister on behalf of Her Majesty in Right of Canada warrants to acquire 2,034,000 shares of the Corporation's common stock, par value \$6.25 per share. The warrants shall entitle the Minister to purchase the shares at any time up to and including December 31, 1990 for \$13 U.S. per share and shall have in all other respects the same terms and conditions as the warrants issued by the Corporation to the United States of America through the Chrysler Loan Guarantee Board. The warrants shall be issued

at a rate proportional to the rate at which Disbursements are made.

33. Recognizing the various covenants and undertakings of the Company under this Agreement, the Corporation agrees that it will take no measures to impede or interfere with the carrying out of the said covenants and undertakings by the Company.

34. For the purposes of this Agreement, the Minister may be represented when he deems it appropriate by a Project Review Group.

35. This Agreement supersedes all previous negotiations and documents relating to the financial assistance to the Company by the Government of Canada.

36. The Minister will enter into the Loan Insurance Agreement with the Private Lender only after he has received advice from his legal counsel that the documentation and security for the loan reflects the requirements of the Minister as described in this Agreement.

37. For the purpose of convenience this Agreement may be referred to as being dated the 13th day of June 1980, irrespective of its effective date.

38. This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

39. Any notice by any party to any other party hereunder shall be effectively given if, delivered or sent by letter or by telegram, postage prepaid or with charges prepaid as the case may be addressed to the relevant party at the address as given hereunder. Any notice which is delivered shall be deemed to have been received at the time when in the ordinary course such letter or telegram should have reached its destination.

THE MINISTER OF INDUSTRY,
TRADE AND COMMERCE
Government of Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5

Telex No: 053-4124

CHRYSLER CANADA LTD.
2450 Chrysler Centre
Windsor, Ontario
N9A 4H6
Attention: President

Telex No: 064-77608


CHRYSLER CORPORATION
Chrysler Centre
P.O. Box 1919
Detroit, Michigan 48288
U.S.A.
Attention: President

Telex No: 00231028

40. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

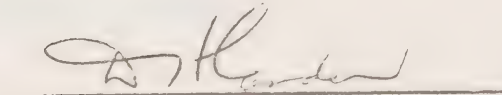
IN WITNESS WHEREOF the parties hereto have duly executed this agreement under the hands of their proper representatives duly authorized in that behalf.

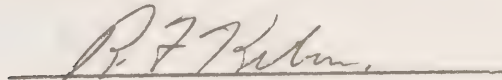
For the Government of Canada



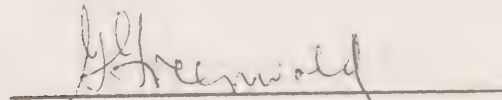
Minister of Industry,
Trade and Commerce

For the Company

 C/S



For the Corporation

 C/S

CHRYSLER CANADA LTD

1980 - 1985

**OPERATING
AND
FINANCING PLAN**

MAY 10, 1980

CHRYSLER CANADA LTD.

1980-1985 OPERATING AND FINANCING PLAN

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III	Financing Plan	5
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May 10, 1980

Chrysler Canada Ltd.
Operating and Financing Plan
1980-1985

I. INTRODUCTION AND SUMMARY

The purpose of this document is to describe Chrysler Canada's operating and financing plan for the period 1980-1985. It is consistent with the product and marketing plans of the total Corporation and reflects the restructuring and financing agreements reached with the Canadian Banks, the Canadian Federal Government, and the Government of Ontario. Because of the interdependence between Chrysler's Canadian and U.S. operations, the Plan is dependent upon the implementation of the total Corporation's Operating and Financing Plans.

While the operating section of the plan outlines key actions to be taken during 1980-1985 in anticipation and response to macro-economic and market factors, the financing section identifies the funding required to support the overall plan and the assistance programs from both the Canadian banks and Governments.

Major operating actions, requiring expenditures of \$1 billion include:

- . Introduction of fuel-efficient front-wheel drive cars to replace all conventional vehicles by late 1983.
- . Introduction of all-new front-wheel drive small van/wagons by late 1983.

Major financing actions include:

- . Banking Assistance from Canadian banks in the form of:
 - Interest concessions
 - Maturity extension to 1984 and beyond
 - Waivers related to covenants of present loan agreements
- . Government Assistance in the form of incremental financing:
 - Loan insurance for \$200 million from the Canadian Federal Government
 - Grant in the amount of \$10 million from the Province of Ontario.

Although it is projected that the Company will recover from the 1979-80 losses, there are some inherent risks. Because the operating and financing plan is based on a wide range of factors, both inside and outside the company, there are a number of elements in the overall plan which are subject to potential changes, and could result in a reduction in the projected level of activity, adversely affecting profitability and funding requirements.

May 10, 1980

II. OPERATING PLAN

Chrysler Canada plans to participate fully in the growth of the North American automotive market through the effective marketing of new products and through substantial investment in car, truck, and parts production.

Highlights of Chrysler Canada's operating plan are summarized below and detail is provided as exhibits.

Key Operating Assumptions/Actions	Actual	Projection					
	1979	1980	1981	1982	1983	1984	1985
Market							
Industry - Cars (000)	1,006	986	987	1,011	1,039	1,063	1,091
- Trucks (000)	388	364	382	390	398	406	414
Average Chrysler Share							
- Cars (Pct.)		←----- 17% -----→					
(Units 000)		←----- 171 -----→					
- Trucks (Pct.)		←----- 10% -----→					
(Units 000)		←----- 38 -----→					
Vehicle Production							
Cars (Units 000)		←----- 191 -----→					
Trucks (Units 000)		←----- 168 -----→					
Investments (Mils.)							
Car Programs - Mainly Front-Wheel Drive in 1984 Model Year		←----- \$ 246 -----→					
Truck Programs - Mainly New Van/Wagon in 1984 Model Year		413					
Other - Mainly Manufacturing Improvements, and research and development		343					
Total Expenditures		←----- \$1,002 -----→					

Market (Exhibit I)

The operating plan reflects a relatively conservative view of the near-term market outlook, depressed industry levels in 1980 related to the economic downturn and a reduced Chrysler market share from traditional patterns. Over the long run, it is expected that consumer demand will continue to reflect an increasing preference for smaller, more economical and fuel-efficient cars and trucks. The automotive industry is projected to grow at about 2% annually during the 1981-1985 period. The product-related programs of Chrysler in North America are responsive to these trends. Car penetration is expected to average 17% in the forward years, reflecting a strengthening in the Company's competitive position as the fuel-efficient, new front-wheel drive (FWD) cars replace conventional vehicles. Truck market share is projected to average 10% in the planning period. The introduction of an all-new FWD van/wagon manufactured in Canada for North American markets in the 1984 model year will also improve the Company's competitive position in the compact segment.

II. OPERATING PLAN (cont'd)

Investments (Exhibit II)

The task facing Chrysler is very demanding as the entire product range offered in Canada and the United States must be redesigned and engineered to reduce weight while maintaining interior package size. In response to market trends, a new range of vehicles must be developed and launched into production by 1985. This presents Chrysler with a unique opportunity to incorporate the benefits of new techniques and processes which will improve quality and at the same time provide significant cost reductions.

The major events planned for Chrysler Canada in relation to these programs include:

Assembly of a small Van/Wagon at the Pillette Road Truck Plant for the North American market by late 1983. Capacity is planned to exceed 1,000 units daily. Expenditures in Canada for this program are estimated at \$395 million.

Conversion and modernization of the Windsor Car Plant to assemble front-wheel drive vehicles in 1983 and achieve important manufacturing improvements. Expenditures are estimated at \$161 million.

Investment of \$20 million in facilities and equipment for the purpose of automotive research and development in aluminum and plastic applications. Areas of research and development will include: structural plastic components to replace steel in various applications, lightweight aluminum castings processes to allow economic substitution of aluminum for cast iron in engine components, and process techniques to permit the expanded usage of aluminum radiators and heat exchangers.

Restructuring of operations and organizational responsibilities particularly with respect to Purchasing, Manufacturing and Marketing in a manner to achieve a level of autonomy which is cost effective with competition.

Where practicable, carry on in Canada research and development and in particular, provide engineering support for the production of the T115 Van/Wagon.

Other Assumptions

The expected economic outlook is included as Exhibit IV and planned employment levels assuming expected economic, marketing, and efficiency projections are summarized as Exhibit V.

Financial Projections

In projecting financial results, it has been necessary to evaluate the implications of the above actions and to establish assumptions concerning major external factors which can significantly affect the success and profitability of the Corporation:

- . The size of the industry for cars and trucks in North America
- . Continuation of the increasing demand for smaller, more fuel-efficient vehicles
- . Market penetration by Chrysler in Canada
- . Competitive actions by other manufacturers
- . The rate of inflation and economic growth both in Canada and in the U.S.
- . Ability of Chrysler to recover cost economics by pricing.

II. OPERATING PLAN (cont'd)

Financial Projections (cont'd)

As summarized below, it is projected that the Company will recover gradually from the 1979 and 1980 sales levels.

	Actual <u>1979</u>	<u>1980</u>	<u>1981</u>	Projection			
				<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Net Sales (Bils.)	\$2.6	\$2.4	\$3.5	\$3.9	\$4.2	\$5.9	\$6.3
Planned Expenditures (Mils.)	62	62	69	238	475	61	97
Working Capital (Mils.)	\$183	\$221	\$336	\$269	\$ 50	\$ 77	\$108

Working Capital is depleted as major investment programs are undertaken, creating the need for additional outside financing which is contained within the overall Financing Plan.

III. FINANCING PLAN

Based on the investment action projections outlined in the Operating Plan, financing requirements are estimated to peak in 1983 at \$417 million as a result of the heavy product investments planned in that period:

	Projection (Year-End)					
	1980 (Mils)	1981 (Mils)	1982 (Mils)	1983 (Mils)	1984 (Mils)	1985 (Mils)
Financing Requirements	\$217	\$217	\$217	\$417	\$354	\$270

To meet the projected funding requirements, a Financing Plan has been developed to identify the sources of funds, in line with the Corporate Financing Plan dated April 28, 1980.

Summarized in the table below are the key elements of the Financing Plan for Chrysler Canada.

<u>Financing Actions</u>	Positive Cash Effect 1980-1985 (Mils)	Commencement of Availability
A. Total Banking Assistance	\$258	Immediately
B. Government Assistance		
- Federal Insured Loans	\$200	1982
- Provincial Grant	10	1982
Total Government Assistance	\$210	
C. Asset Disposals	\$ 96	1980
Total Positive Cash Flow Effect of Proposed Financing Plan	<u>\$564</u>	

A. Assistance from Canadian Banks

Financial institutions have a major interest in Chrysler and the continuation of their existing support, as well as some increased assistance, is essential to any workable Financing Plan. The Chrysler Canada Plan meets the requirement for additional assistance from financial institutions by restructuring of loans, interest concessions and obtaining of waivers on present loan agreements.

III. FINANCING PLAN (cont'd)

Financing Actions (cont'd)

B. Government Assistance

The Federal Government of Canada and the Ontario Provincial Government have agreed to support the Chrysler Plan through the following programs:

1. Federal Government Insured Loan (\$200 Million)

In view of the substantial financing requirements needed to support the product/manufacturing program (increasing to a peak of \$417 million by 1983) the Canadian Government insured loan of \$200 million is essential to complete the additional funding requirements. The insured funding is expected to be fully utilized by 1983. Repayment of insured loans will be over a five-year period in equal quarterly instalments commencing six months after the launch of the T115, but not earlier than June 30, 1984.

2. Grant from the Province of Ontario (\$10 Million)

The Province of Ontario will grant to Chrysler Canada \$10 million as a 50% contribution for the \$20 million investment in the automotive research and development facility. The grant will be provided on a matching basis and it is expected to be issued in the 1982-1985 period.

C. Disposal of Assets

Negotiations for the sale and leaseback of parts facilities and company-owned dealerships and sale of surplus land for an amount of up to \$96 million are now underway, and it is expected that the majority of these sales will be concluded during 1980 and 1981. It is essential to ensure that the operational performance and capabilities of Chrysler Canada will not be impaired by the sale of assets. (Leased Parts Depots would continue to be staffed, manned and operated by Chrysler Canada employees.)

Risks and Opportunities

Because the forecasts are based on a wide range of factors, some within the control of the Corporation and other external factors which cannot be controlled by Chrysler, it is considered prudent to visualize the eventuality that one or more factors may vary to a significant extent from the assumptions made by Chrysler. The effect could be a reduction in profitability and a retiming of financing requirements.

Events which fall into this category could be:

- a) lower level of total car industry
- b) reduced exports to the U.S. market, as a result of depressed demand levels
- c) extremely competitive price situations which might prevent Chrysler from recovering the full cost increase from inflation

III. FINANCING PLAN (cont'd)

Risks and Opportunities (cont'd)

- d) an acceleration in the trend to smaller, more fuel-efficient cars causing a drop in demand for middle and large size cars.

It is obviously extremely difficult to forecast the probability that these events could occur, or the timing or duration. However, it would be prudent to take into account the fact that some factors or combinations of factors could occur which would have an adverse effect on Chrysler Canada's profitability, cash flow and financing requirements.

In the eventuality that unfavourable conditions may occur, the risk is that profits could deteriorate requiring additional financial resources. Recognizing the uncertainty surrounding the future operating environment of both Chrysler and the Industry, contingencies are provided to accommodate possible shortfalls in areas such as volume, variable margin, fixed cost savings and price recovery. On the other hand, profits could be stronger than projected. The conservatively assumed market shares could be more favourable than anticipated in line with historical performance.

IV. CONCLUSION

The Financing Plan reflects Chrysler's best judgment at this time as to a restructuring that adequately ensures the long-term viability and growth of Chrysler Canada.

Chrysler Canada Ltd.
Operating and Financing Plan
1980-1985

V. EXHIBITS

Exhibits

Operating Plan

- I Sales and Marketing
 - A - Vehicle Volumes
 - B - Product Plans and Market Outlook
 - C - Dealer Operations
- II Planned Expenditures
- III Manufacturing and Assembly Operations
 - Chrysler Products Manufactured in Canada
- IV Economic Outlook
- V Estimated Employment Levels

Chrysler Canada Ltd.

Operating and Financing Plan

CANADIAN TRUCK INDUSTRY BY SEGMENTS

(Calendar Years)

Industry (000)	Actual			Projection					
	1977	1978	1979	1980	1981	1982	1983	1984	1985
Sub-Compact	16	13	12	17	10	10	10	10	10
Compact	77	86	89	81	88	91	94	96	98
Light	196	204	213	202	212	217	222	227	232
Utility	23	30	28	25	30	30	30	30	30
Medium/Heavy	37	40	46	39	42	42	42	43	44
Total Industry	349	373	388	364	382	390	398	406	414
Memo: Annual Growth (Pct.)	←----- 4.7% -----→			←----- 1.1% -----→					
Segment Mix (Pct.)									
Sub-Compact	4.6%	3.5%	3.1%	4.7%	2.6%	2.6%	2.5%	2.5%	2.4%
Compact	22.1	23.1	22.9	22.3	23.0	23.3	23.6	23.6	23.7
Light	56.1	54.7	54.9	55.5	55.5	55.6	55.8	55.9	56.0
Utility	6.6	8.0	7.2	6.8	7.9	7.7	7.5	7.4	7.3
Medium/Heavy	10.6	10.7	11.9	10.7	11.0	10.8	10.6	10.6	10.6
Total Industry	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

May 10, 1980

Chrysler Canada Ltd.
Operating and Financing Plan

CANADIAN CAR INDUSTRY BY SEGMENTS
(Calendar Year)

Industry (000)	Actual			Projection					
	1977	1978	1979	1980	1981	1982	1983	1984	1985
Sub-Compact	196	215	223	256	228	238	247	255	264
Compact	171	171	156	180	184	193	201	206	213
Small Specialty	75	90	118	119	123	133	140	145	151
Total Small	<u>442</u>	<u>476</u>	<u>497</u>	<u>555</u>	<u>535</u>	<u>564</u>	<u>588</u>	<u>606</u>	<u>628</u>
Basic Middle	210	196	168	144	157	159	161	163	165
Middle Specialty	<u>106</u>	<u>109</u>	<u>114</u>	<u>110</u>	<u>111</u>	<u>110</u>	<u>112</u>	<u>114</u>	<u>116</u>
Total Middle	<u>316</u>	<u>305</u>	<u>282</u>	<u>254</u>	<u>268</u>	<u>269</u>	<u>273</u>	<u>277</u>	<u>281</u>
Basic Large	214	191	203	156	162	156	155	157	159
Luxury	<u>19</u>	<u>21</u>	<u>24</u>	<u>21</u>	<u>22</u>	<u>22</u>	<u>23</u>	<u>23</u>	<u>23</u>
Total Large	<u>233</u>	<u>212</u>	<u>227</u>	<u>177</u>	<u>184</u>	<u>178</u>	<u>178</u>	<u>180</u>	<u>182</u>
Total Industry	<u>991</u>	<u>993</u>	<u>1,006</u>	<u>986</u>	<u>987</u>	<u>1,011</u>	<u>1,039</u>	<u>1,063</u>	<u>1,091</u>
Memo: Annual Growth (Pct.)	←-----2.1%-----→			←-----1.4%-----→					
Segment Mix (Pct.)									
Sub-Compact	19.7%	21.7%	22.2%	26.0%	23.1%	23.5%	23.8%	24.0%	24.2%
Compact	17.3	17.2	15.5	18.3	18.6	19.1	19.3	19.4	19.5
Small Specialty	<u>7.6</u>	<u>9.1</u>	<u>11.7</u>	<u>12.0</u>	<u>12.5</u>	<u>13.2</u>	<u>13.5</u>	<u>13.6</u>	<u>13.8</u>
Total Small	<u>44.6%</u>	<u>48.0%</u>	<u>49.4%</u>	<u>56.3%</u>	<u>54.2%</u>	<u>55.8%</u>	<u>56.6%</u>	<u>57.0%</u>	<u>57.5%</u>
Basic Middle	21.2%	19.7%	16.7%	14.6%	15.9%	15.7%	15.5%	15.3%	15.1%
Middle Specialty	<u>10.7</u>	<u>11.0</u>	<u>11.3</u>	<u>11.2</u>	<u>11.3</u>	<u>10.9</u>	<u>10.8</u>	<u>10.7</u>	<u>10.7</u>
Total Middle	<u>31.9%</u>	<u>30.7%</u>	<u>28.0%</u>	<u>25.8%</u>	<u>27.2%</u>	<u>26.6%</u>	<u>26.3%</u>	<u>26.0%</u>	<u>25.8%</u>
Basic Large	21.6%	19.2%	20.2%	15.8%	16.4%	15.4%	14.9%	14.8%	14.6%
Luxury	<u>1.9</u>	<u>2.1</u>	<u>2.4</u>	<u>2.1</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.1</u>
Total Large	<u>23.5%</u>	<u>21.3%</u>	<u>22.6%</u>	<u>17.9%</u>	<u>18.6%</u>	<u>17.6%</u>	<u>17.1%</u>	<u>17.0%</u>	<u>16.7%</u>
Total Industry	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Chrysler Canada Ltd.

Operating and Financing Plan

PRODUCT PLANS AND MARKET OUTLOOK

As the size difference between the largest and smallest cars is reduced, the traditional market segmentation will change to a simpler discriminator -- number of passengers.

Downsizing will be accomplished without sacrificing the comfort and room demanded by consumers in a six-passenger vehicle. This will be accomplished, in part, by converting all passenger cars to front-wheel drive. By the 1985 model year, Chrysler family-size cars will be 33 inches shorter and weigh 1,000 lbs. less than a comparable car in 1980. Fuel economy will improve by 14 mpg or 75% in relation to a 1980 compact, the 1984 family-size car will be 17 inches shorter, weigh 600 lbs. less and the composite fuel economy will be improved by 10 mpg or 40%.

This change will allow Chrysler to satisfy effectively the total spectrum of consumer needs with three platforms compared to the five platforms available presently.

Chrysler's 1980-1985 Product Plan will offer a competitive range of cars and trucks in response to consumer demand -- small cars to meet fuel economy requirements, and family-size cars to meet the continued needs of larger families and long-distance driving. It is recognized that competitors are also proceeding with aggressive new product programs, but Chrysler will improve market position by offering fully competitive products and expanding market coverage. Key elements of the plan also include improved product quality, and better participation in the youth and luxury markets.

May 10, 1980

Chrysler Canada Ltd.

Operating and Financing Plan

DEALER OPERATIONS

The Chrysler Dealer Body in Canada has generally been profitable. Despite the depressed economic conditions and the competitive problems encountered by Chrysler in the last few years, more than 80% of all Chrysler dealers were profitable during 1979.

The Chrysler dealer body in Canada totals 608 dealerships, at April 28, 1980 - down from 635 at January 1. It is planned to be expanded gradually in the long-run to accommodate the expected sales growth. As summarized in the table below, the dealer body is well represented throughout the country:

Region	Number of Chrysler Dealers			
	Present Levels		Projected 1985	
	<u>Dealerships</u>	<u>Distribution</u> (Pct.)	<u>Dealerships</u>	<u>Distribution</u> (Pct.)
Atlantic	54	9%	57	9%
Quebec	166	27	176	27
Ontario	183	30	196	30
Prairie	97	16	104	16
Alberta	68	11	73	11
Pacific	<u>40</u>	<u>7</u>	<u>44</u>	<u>7</u>
Total Canadian Dealers	<u>608</u>	<u>100%</u>	<u>650</u>	<u>100%</u>

May 10, 1980

Chrysler Canada Ltd.
Operating and Financing Plan
1980-1985

Exhibit 11

PLANNED EXPENDITURES
(At Incurred Economics)

	Projection						
	<u>1980</u> (mils)	<u>1981</u> (mils)	<u>1982</u> (mils)	<u>1983</u> (mils)	<u>1984</u> (mils)	<u>1985</u> (mils)	<u>Total</u> (mils)
<u>Major Programs</u>							
<u>Car Programs</u>							
. Middle Specialty (5-Passenger) Cordoba/Mirada	\$ 1	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 4
. Luxury Car (6-Passenger)	8	-	-	-	-	-	8
. Front Wheel Drive for 1984 Model Year		1	39	121	-	-	161
. Provision for Preproduction, Launching & Minor Programs	<u>8</u>	<u>-</u>	<u>12</u>	<u>29</u>	<u>13</u>	<u>11</u>	<u>73</u>
Total Car Programs	\$ 17	\$ 1	\$ 54	\$ 150	\$ 13	\$ 11	\$ 246
<u>Truck Programs</u>							
. Expand Pillette from 26 to 29 Jobs per Hour	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12
. T115 Introduction in 1984 Model Year	-	9	115	241	-	-	365
. Provision for Preproduction & Launching	<u>4</u>	<u>-</u>	<u>2</u>	<u>17</u>	<u>13</u>	<u>-</u>	<u>36</u>
Total Truck Programs	\$ 16	\$ 9	\$ 117	\$ 258	\$ 13	\$ -	\$ 413
<u>Etoibicoke Casting</u>							
. Conversion to Smaller Engine Components and modernization provisions	\$ -	\$ 23	\$ 17	\$ 6	\$ -	\$ 43	\$ 89
<u>Other Programs</u>							
. Research and Development Facilities for aluminum and plastic applications	-	-	\$ 2	\$ 6	\$ 6	\$ 6	\$ 10
. Expansion & Improvement of the Paint System at the Windsor Car Assy. Plant	-	\$ 6	23	28	-	-	\$ 57
. All Other - Primarily Manufacturing Improvements	\$ <u>29</u>	<u>30</u>	<u>25</u>	<u>27</u>	<u>29</u>	<u>37</u>	<u>177</u>
Total Other Programs	\$ <u>29</u>	\$ <u>36</u>	\$ <u>50</u>	\$ <u>61</u>	\$ <u>35</u>	\$ <u>43</u>	\$ <u>254</u>
Total Expenditures	\$ 62	\$ 69	\$ 238	\$ 475	\$ 61	\$ 97	\$ 1002

May 10, 1980

Operating and Financing Plan

CHRYSLER PRODUCTS MANUFACTURED IN CANADA

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>Assembly Operations</u>							
<u>Windsor Car Plant</u>							
Cordoba	x	x	x	x	x		
Magnum/Mirada	x	x	x	x	x		
Imperial (1981 Model Year Introduction)		x	x	x	x	x	
New Front Wheel Drive (1984 Model Year Introduction)					x	x	
<u>Pillette Road Truck Plant</u>							
Vans and Wagons	x	x	x	x	x		
New Front Wheel Drive Van/Wagon (T-115) (1984 Model Year Production)					x	x	
<u>Powertrain Operations</u>							
<u>Windsor Engine Plant</u>							
360 CID V-8 Engine	x	x					
<u>Etobicoke Casting Plant</u>							
Aluminum Castings (Engine and transmission components for Chrysler products manufactured in North America)	x	x	x	x	x	x	x
<u>Other Component Operations</u>							
Ajax Trim (Mainly seat covers and door and trim panels for most Chrysler products assembled in North America)	x	x	x	x	x	x	x
Windsor Spring (Springs for seats used in most models of cars assembled by Chrysler in North America)	x	x	x	x	x	x	x

Chrysler Canada Ltd.

Operating and Financing Plan

ECONOMIC OUTLOOK

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Real GNP Growth	3.4%	2.9%	0%	2.0%	4.5%	4.5%	4.5%	4.5%
Consumer Price Index	9.0	9.1	10.2	9.8	9.4	9.0	9.0	9.0
Unemployment Rate	8.4	7.5	8.0	7.6	7.4	7.0	7.0	7.0
Exchange Rate (U.S. Dlr./Can.Dlr.)	87¢	85¢	86¢	87¢	88¢	89¢	90¢	91¢

1980 Outlook

In line with worldwide trends, decreasing economic growth and inflation mark the Canadian economy as we enter the 1980's.

The economy is expected to show no growth in 1980 with an unemployment rate of around 8%. Following three years of declining growth, the lackluster economic performance in the United States during 1979-1980 is notably curtailing demand for Canada's exports, despite the considerable improvement in competitive position that results from a favourable exchange rate. Inflation is projected at 10.2% for 1980, a slight increase from the prior year and well below the rates experienced by the United States.

Expectations continue to be that the downturn will be shallow and short lived. The period of weakness is concentrated in the final six months of the year with growth accelerating through 1981 such that real growth for the year is forecast to be 2.0%. The major factors explaining the turn-around are the end of the recession in the U.S. and the easing of financial pressures in capital markets.

Forward Years

The economy is expected to strengthen considerably in the forward years principally as a result of heavy foreign investment in energy and other resource-oriented activities. GNP growth is expected at about 4.5% annually in the 1981-1985 period, while inflation is expected to be 9% annually. The Canadian dollar exchange rate is projected to increase gradually versus the U.S. dollar, reflecting the improved economic conditions.

Chrysler Canada Ltd.
Operating and Financing Plan
1980-1985

ESTIMATED EMPLOYMENT LEVELS

Based on the assumptions contained in this Operating and Financing Plan, following are the estimated levels of employment for the forward years:

Average Annual Employment*					
<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>
9.8	10.1	11.3	15.9	15.9	15.9

* Note: Because the Operating and Financing Plan is based on a wide range of factors, both inside and outside the company, there are a number of elements in the overall plan, such as employment levels which are subject to potential changes.

May 10,

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Industry, Trade
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Contact / Liaison

For release / Pour publication

26 Mr. B.M. Deacon (613) 992-0096

Immediate

Subject / Sujet

BRIGHT FUTURE FOR FORESTRY EQUIPMENT SALES TO AUSTRALIA

IT&C 15/80

OTTAWA, June 27, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, said today that Canadian manufacturers of forest harvesting and sawmill machinery expect a substantial increase in exports to Australia, New Zealand and Papua New Guinea this year as a result of their participation in the recent Forest Industry Machinery Exposition (FIME '80) in Myrtleford, Australia. This participation came about with the assistance of the federal department of Industry, Trade and Commerce.

They have already made a start by selling equipment worth \$1.9 million, using the Canadian stand sponsored by the department at the exhibition. The 10 Canadians who exhibited there are confident that, during the next 12 months, follow-up business from the exposition may exceed \$9.8 million. This would be a doubling of Canadian annual sales of forestry equipment to Australia, Mr. Gray added.

The Canadian stand at the exhibition was sponsored by the department of IT&C at a cost to the department of \$62,694.

FIME '80, one of the most prestigious shows of its kind outside Europe and North America, attracted 160 exhibitors from 10 countries and was attended by 18,000 buyers, many of them from New Zealand and Papua New Guinea. The choice of Myrtleford was dictated by its location in the heart of a Victoria forestry region which was developed by unemployed Australians during the depressed Thirties and today boasts modern sawmills and pulp mills designed and equipped by Canadian engineers. Most of the wood in the area is fast-maturing Radiata pine which can put on as much as 3/4 in. a year.

Staged only at five-year intervals, the Australian Forest Machinery Exposition offers participants the opportunity to demonstrate their equipment in a working environment. Three large softwood and hardwood areas were set aside for exhibitors to show their products in action.

Although competing against some of the largest manufacturers from the United States, Germany, Italy and Scandinavian countries, the 10 Canadian exhibitors at Myrtleford attracted maximum buyer interest with the largest single national exhibit.

The promising volume of on-site business encouraged several Canadian exhibitors to revise plans for an early return home. Some embarked upon follow-up business tours of Australia and New Zealand. That decision was motivated by the keen interest of forestry equipment buyers, many of whom were unfamiliar with the latest developments in Canadian forestry machinery and equipment.

Australia plans to step up its wood harvesting by 40% during the next 20 years and it is estimated that this will create a potential market in purchases of machinery and equipment worth more than \$1.5 billion.

FOR MORE INFORMATION, CONTACT:

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For release/Pour publication

Immediate

Subject/Sujet

TEXTILE AND CLOTHING BOARD REPORT

8C 18/80

OTTAWA, July 10, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today that he had received, in transcript form, a copy of the Textile and Clothing Board Report. This Report relates to the Board's review of the conditions prevailing in the textile and clothing industries in Canada and the import system currently in place on these products. The Board's findings and recommendations are expected to be a key factor in the determination of the Government's policy for the period beginning 1982, i.e. when the present bilaterally negotiated arrangements on textiles and clothing are scheduled to expire.

Mr. Gray underlined his intention to make the report public as soon as it is translated and printed in both official languages.



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IMMEDIATE

Subject/Sujet

DESIGN CANADA SCHOLARSHIP AWARDS

&C 19/80

OTTAWA, July 11, 1980 -- The names of the 14 winners of the "Design Canada" scholarship awards for advanced studies in design were announced recently by Denis Daly, acting chairman of the National Design Council. The awards program, funded by the Department of Industry, Trade and Commerce and implemented by Design Canada, part of IT&C, is endorsed by the National Design Council to encourage the advanced study of design as a means to improve the competitiveness of Canadian products in world markets.

Seven of this year's scholarships are in industrial design, six in graphic design and one in textile design.

Five of the awards are new scholarships and the other nine are renewals for continuing studies. Seven of the winners come from Ontario, four from Alberta and three from Quebec.

The winners of this year's awards which have a value of \$151,772, were selected from a field of 36 applicants and will study in the U.S., Switzerland, the United Kingdom and Canada.

The five-member scholarship jury, consisting of three representatives from the design professions, and one each from the National Design Council and the Department of Industry, Trade and Commerce, was impressed by the high standard of many of this Year's submissions.

Since its formation in 1962, the National Design Council has made 307 awards to young Canadians, enabling them to pursue their studies at internationally known schools in Canada and abroad.

The National Design Council is an independent organization created by Act of Parliament, with members appointed by the Governor in Council, that recommends to the Minister of Industry, Trade and Commerce, among others, policies and programs for the improvement of the quality of design in Canada, for implementation by Design Canada and other departments and agencies.

By helping to train and upgrade the skills of Canadian industrial designers, the awards program helps to ensure that these goods meet the increasingly high design standards demanded by consumers and users.

FOR FURTHER INFORMATION, CONTACT

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Bryce Rutter
R.R. #1
Bloomfield, Ontario

Mark Campbell
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Dresmond Ryan
1550 Claymore Avenue
Ottawa, Ontario

Doreen Colonello
92 Wesley Street
Toronto, Ontario

Joseph Tang
305 - 10614 - 110 Street
Edmonton, Alberta

Peter Deutsch
90, rue Somerville
Westmount (Québec)

Nelson Vigneault
388, rue Evangéline
Sept-Iles (Québec)

Guy Gibson
48 Beverly Glen Blvd.
Scarborough, Ontario

Osmo Mononen
15 Vicora Linkway, #307
Don Mills, Ontario

Susan Nash
10964 - 84 Avenue
Edmonton, Alberta

Duncan Newman
49, rue Nelson
Montreal West (Québec)

Christopher Ozubko
11435 - 105th Street
Edmonton, Alberta

Emily Reynolds
R.R. #6
Dresden, Ontario

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For release/Pour publication

G. Nash

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IMMEDIATE

Subject/Sujet

CANADIANS EVALUATE COPPER TECHNOLOGY

ITC16/80

OTTAWA, July 4, 1980 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce announced today that a delegation of 19 Canadian industrialists visited Europe last week to examine and evaluate the latest technology for further processing of copper by continuous casting and rolling to produce copper rod and strip.

The mission was organized by the Department of Industry, Trade and Commerce and the Commission of the European Communities, to promote industrial co-operation between Canadian and European industry.

Although many contacts in a number of sectors have been made between Canadian and European businessmen under the 1976 Framework Agreement for Economic and Commercial Cooperation (the "contractual link") between Canada and the European Economic Community, this was the first visit of Canadian experts in non-ferrous metals fabricating technology.

In the last four or five years, Europe has made some significant technological advances in continuous casting and rolling of copper that the Canadian delegation wanted to evaluate. Papers were delivered by both Canadians and Europeans at a three-day seminar in Brussels.

As part of the exchange of technical information, some members of the delegation visited plants in Belgium, France, Germany and the United Kingdom after the seminar. Others examined advanced technology processes in Finland and Switzerland.

Attached is a list of delegates.

FOR FURTHER INFORMATION, CONTACT

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Resource Industries Branch (52)
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Mr. John Molsen
Vice President - Technical Director
Noranda Metal Industries Limited.

Dr. Robert Thomson,
A/Director
Canada Centre for Minerals and
Energy Technology

Mr. Chris Newman
Manager, Technical Services
Noranda Metal Industries Limited
Fergus, Ontario

Mr. L. Lee
Chief Metallurgist
Noranda Metal Industries Limited
Fergus, Ontario

W. Barker
Casting Superintendent
Noranda Metal Industries Ltd.
Fergus, Ontario

Dr. Ed Gervais
Head, Product Engineering Division
Noranda Research Centre
Montreal

Mr. Jean Farge
Head, Physical Metallurgy Department
Noranda Research Centre
Montreal

Mr. J.H. Lily
(Brussels Office)
Falconbridge Nickel Mines Ltd.

E.B. Pearson
Associate
Hatch Associates Ltd.
Toronto

T. Vertresi
Senior Engineer
Hatch Associates Ltd.
Toronto

Mr. John Schloen
Senior Consultant
Hatch Associates Limited

Mr. Roman Russek
General Manager,
Technical Services
Canada Wire and Cable Limited
Toronto

Mr. Dave Goldman
Manager, Operations
Canadian Copper Refineries
Montreal

Mr. John Carmichael
President
Canefco Limited
Scarborough, Ontario

Mr. T. Harris
Product Service Manager
Dominion Engineering Works Limited
Montreal

Mr. Robert Carrier
Manager
Northern Telecom Canada Ltd.
Toronto

Mr. Brian Kirby
Manager, Manufacturing
Phillips Cable Limited
Brockville, Ontario

Mr. Chris English
Process Design Consultant
SNC International Ltd.
Montreal

Mr. E.W. Hodkin
Tankhouse Superintendent
Inco Metals
Copper Cliff, Ontario

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Philippe Clément (996-1880)

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Immediate

Subject/Sujet

HERB GRAY TO MEET WITH U.S. SECRETARY OF COMMERCE

T&C 20/80

OTTAWA, July 16, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, will be meeting with Mr. Philip Klutznick, U.S. Secretary of Commerce, on July 18, 1980. Mr. Gray indicated that he looked forward to this opportunity to review with Secretary Klutznick industrial developments and prospects in Canada and the United States. He said it was important that there be a full appreciation of the perspectives of the two countries in order to facilitate cooperation and understanding on specific trade and economic issues. In this context, items to be discussed include the situation with respect to motor vehicles, steel, urban mass transit equipment and industrial policy developments.

Mr. Klutznick was nominated as Secretary, United States Department of Commerce in November 1979.

He entered public life in 1944 when he was appointed a commissioner of the Federal Public Housing Authority. He was a member of the U.S. delegations to the United Nations in 1957, 1961 and 1962.

From 1961 to 1963 he served as U.S. Ambassador to the U.N. Economic and Social Council. A lawyer and real estate developer, he is also chairman of the governing board of the World Jewish Congress.

Philippe Clément (996-1880)

Immédiate

RENCONTRE ENTRE HERB GRAY ET LE SECRETAIRE
DU COMMERCE DES ETATS-UNIS

ITAC 20/80

OTTAWA, le 16 juillet 1980 -- L'honorable Herb Gray, Ministre de l'Industrie et du Commerce, rencontrera M. Philip Klutznick, Secrétaire Américain au Commerce, le 18 juillet 1980. Cette réunion leur permettra de passer en revue les développements et les perspectives de l'industrie des deux pays. Dans cette situation il est important que les deux pays comprennent que les attentes des deux pays afin de faciliter la coopération et la compréhension des problèmes économiques et commerciaux. Les sujets qui seront discutés comprennent l'industrie automobile, de l'acier, des équipements de transport urbain et la mise sur pied de politiques industrielles.

M. Klutznick a été nommé Secrétaire du Commerce des Etats-Unis en novembre 1979.

Il est entré à la fonction publique en 1944; il était alors nommé commissaire de la Federal Public Housing Authority. Il a été membre des délégations américaines aux Nations Unies en 1957, 1961 et 1962.

De 1961 à 1963, il a été ambassadeur des Etats-Unis au conseil économique et social des Nations Unies. Avocat et promoteur immobilier, il est également président du conseil d'administration du Congrès Juif Mondial.

Contact / Liaison

Pierre Gosselin (992-9166)

For release / Pour publication

Immediate

Subject / Sujet

FOOTWEAR IMPORT QUOTAS EXTENDED

IT&C 21/80

OTTAWA, July 17, 1980 -- Herb Gray, Minister of Industry, Trade and Commerce announced today that the government has requested the Anti-dumping Tribunal to undertake an inquiry into whether importations into Canada of non-rubber footwear in the absence of special measures of protection would continue to cause or threaten to cause injury to Canadian production of like or competitive goods, having regard to the major sources of specific imports and to product lines now produced in volume in Canada.

The Minister said that this investigation will provide an opportunity for all interested parties to present their views publicly on this matter. The Tribunal has been asked to complete its report within six months.

The Minister also announced that the government, as an interim measure, will extend the current global quota on footwear for a period of not more than one year beyond its current expiry date of November 30, 1980. For the period of the extension, import permits will be granted on request for a number of specialty footwear products, including certain cowboy boots, orthopedic footwear and certain sports footwear. The Notice to Importers and the terms of reference to the Anti-dumping Tribunal are attached.

The Minister stated that the global quota, consistent with Canada's obligations under GATT Article XIX, was introduced on December 1, 1977 for a period of three years, pursuant to a finding of the Anti-dumping Tribunal that imports were causing or threatening to cause serious injury to footwear producers in Canada.

In announcing today's decision the Minister said that, as soon as possible after the report of the Anti-dumping Tribunal is received, the Government will make an announcement concerning a footwear import policy for the period following this interim period.

FOR FURTHER INFORMATION, CONTACT:

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Ottawa, Ontario
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Telephone: (613) 992-9166

July 17, 1980

NOTICE TO IMPORTERSITEM NO.57 - FOOTWEAR

Herb Gray, Minister of Industry, Trade and Commerce, has announced that the Anti-dumping Tribunal had been requested to undertake an enquiry into whether imports of non-rubber footwear would continue to cause or threaten to cause injury to Canadian production of like or competitive goods in the absence of special measures of protection. To provide adequate time for the Tribunal to carry out its investigation the Government announced that the global quota on footwear would be extended for an interim period of one year beyond the current expiry date of November 30, 1980.

The following provisions will take effect on December 1, 1980.

Coverage

The coverage of the present global quota extends to imports of footwear from all sources falling within the definition of Control Item No. 57 of the Import Control List (ICL).

"Men's and Boys', Women's and Girls', Children's and Infants' footwear other than rubber, canvas or waterproof plastic footwear and other than downhill ski boots, whether fully or partially manufactured."

Within this item "canvas and canvas footwear" are defined as follows (Notice to Importers No. 121 of October 9, 1979):

- a) canvas footwear: footwear, the main component of which is canvas, and
- b) canvas: heavy, plain weave fabric, tightly woven of cotton, flax, jute or hemp, weighing, exclusive of coatings or laminations, not less than 200 grams per square metre (approximately six ounces per square yard).

This definition includes plain woven fabrics in which two or more yarns are woven as one in the warp and/or weft directions, but excludes, amongst others, denims, corduroys, satins and sateens, drills, twills, and all fabrics containing synthetic or man-made fibres. Laminated fabrics and decorative overlays or trim will continue to be acceptable, within reasonable limits; that is, as long as canvas remains the main component of the footwear.

For the period of the extension, permits will be granted on request for a number of specialty footwear products. These products are:

1. Cowboy boots, whose value for duty exceeds \$50.00
2. Golf shoes
3. English riding boots
4. Orthopaedic footwear
5. Climbing and hiking boots, whose value for duty exceeds \$40.00
6. Moto-cross special racing boots
7. Bowling shoes
8. Highland dancing pump or jig shoes
9. Ice and roller skate boots

For the period of extension, import permits will continue to be required for imports of footwear from all sources covered by Item No. 57 of the ICL including the above specialty footwear products.

Quota Entitlement - 1980

All import permits issued against 1980 quota entitlements will expire on November 30, 1980. Importers should ensure that shipments to be imported against 1980 entitlements clear customs by that date. There are no provisions for carry-over of the current 1980 entitlement.

Quota Entitlement - 1980/81

For the period of the extension, import quota entitlements of individual importers will be based on their entitlements under the current import control regime. However, these entitlements will be adjusted to reflect individual importers' quota utilization during the first two years of the global quota. Importers who use 90% or more of their allocation in both the 1977/78 and 1978/79 quota years will have their allocation extended to the interim period without change. Importers who use less than 90% of their allocations in one or both years will have their quota allocation reduced to their average performance during this period.

A computer printout showing import performance during the 1977/78 and 1978/79 quota periods as well as the 1980/81 quota entitlement will be mailed to individual importers as soon as possible.

New Importers

Consideration will be given to requests for 1980/81 quota entitlements to new importers who submit their requests to the Office of Special Import Policy prior to September 30, 1980.

Importers who qualified as "new importers" under the present import control regime may also apply requesting an increase in their present entitlement. Decisions in respect of allocations to new importers will be made by the Footwear Quota Review Committee.

Footwear Quota Review Committee

a) Terms of Reference

The Footwear Quota Review Committee will continue to review special requests for consideration under the control program. The Committee's mandate allows it to review requests for the importation of high fashion footwear, or for switching among the control items based on national fashion trends or the seasonality of some footwear items and the allocation of quota entitlements to new importers.

Applications to the Committee should be addressed to the Office of Special Import Policy, 10th Floor East, 235 Queen Street, Ottawa, Ontario K1A 0H5.

b) Financial Commitments/Letters of Credit

Importers should note that an irrevocable letter of credit opened in favour of a foreign supplier will not be considered by the Footwear Quota Review Committee as a valid basis for special consideration. Importers are, therefore, cautioned against entering into any financial commitments for the importation of footwear until they receive their entitlement.

c) Switching

The Footwear Quota Review Committee considers requests to switch importers' existing quota entitlements, subject to the following limitations:

- i) Switches will be considered within the same gender category (i.e., women's to women's) between leather and non-leather compositions (and vice versa) as long as the requests to change quota allocations will not cause the total importation of leather footwear to exceed the previously determined global levels.
- ii) Switches will be considered within the same gender category (i.e., women's to women's) between boots and shoes (and vice versa) on the basis of 3 pairs of shoes for 2 pairs of boots. Requests of this nature will be limited to the importers' individual quota entitlement established from base period

performance. Requests to switch between boots and shoes (and vice versa) within additional quantities granted by the Committee will be considered on the basis of one pair of shoes for one pair of boots.

Importers are reminded that switch requests are not automatic and therefore such requests must be referred to the Committee for consideration prior to the placing of orders.

Permit Issuance

Importers are reminded that individual import permits will continue to be required for the importation of each footwear shipment. These permits are available from the Office of Special Import Policy (OSIP) at the address below or through a Customs Broker authorized to issue permits through the OSIP computer system.

Exceptions - General Import Permit No. 57

Any person may, under the authority of this General Import Permit, import into Canada from any country, footwear as described in Item 57 of the Import Control List.

- a) where the imported footwear is acquired or received by a resident of Canada for his personal use or as a gift and each importation of the footwear does not exceed six pairs;
- b) where the imported footwear are bona fide commercial samples not for sale in Canada, imported into Canada by manufacturers, retailers and designers, and each importation of the footwear does not exceed two hundred pairs;
- c) where the imported footwear is acquired or received by a resident of Canada by virtue of a medical prescription;
- d) where the imported footwear is sisal footwear, oriental type sandals or disposable paper slippers;
- e) where the goods are imported by and for performing arts organizations.

Where completion and validation of a Customs entry form is required with respect to any shipment of footwear that is imported under the authority of this General Import Permit, that form shall be endorsed "Imported under the authority of General Import Permit No. 57" or "Importé selon la Licence générale d'importation n° 57".

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REFERENCE TO THE ANTI-DUMPING TRIBUNAL

On Thursday, July 17, 1980 His Excellency the Governor-in-Council directed the Anti-dumping Tribunal to undertake forthwith an inquiry under section 16.1 of the Anti-dumping Act in respect of the importation into Canada of footwear in order to:

- (a) determine whether footwear, other than footwear the main component of which is rubber, in respect of any sectors of the industry thereof, would, in the absence of special measures of protection, be imported or would likely be imported into Canada at such prices, in such quantities and under such conditions as to cause or threaten serious injury to Canadian production of like or directly competitive goods having particular regard to the major sources of specific imports and to product lines now produced in volume in Canada.
- (b) examine, in the course of the inquiry, the extent to which the Canadian footwear industry has restructured since the Anti-dumping Tribunal's report of 1977 and the extent to which the industry has improved its competitive position against imports.

The Anti-dumping Tribunal has been directed to report within six months of the date of referral.

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Philippe Clément

6-1880

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IMMEDIATE

Subject/Sujet

GRAY TO VISIT JAPAN

IT&C 22/80

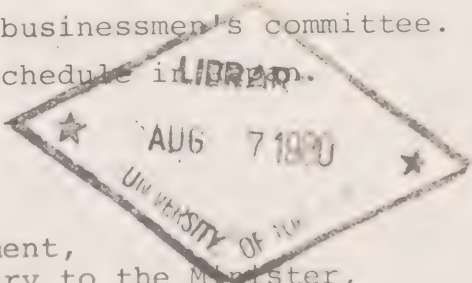
OTTAWA, July 31, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, will be visiting Japan from August 2nd to August 11th, 1980. This is the first visit of a Canadian Cabinet Minister to Japan since the recent general election in that country.

Japan is Canada's second largest trading partner after the United States, with Canadian exports to Japan totalling \$4 billion in 1979.

Mr. Gray will hold talks with the Japanese ministers of Foreign Affairs, International Trade and Industry, and Finance, as well as with the Japanese Government representative for economic relations on a number of bilateral trade issues, including lumber, coal, automobiles and nuclear technology.

While in Japan, Mr. Gray will also meet with industry and union leaders in the automotive field. Talks with them are expected to centre on Japanese automotive investment plans in North America, particularly in Canada, the impact of Japanese car imports on Canadian industry, and Canadian auto parts purchases by Japanese companies.

During his visit, Mr. Gray will address the Federation of Economic Industries (Keidanren), an organization of leading industrial associations and companies, and will meet with senior Japanese business executives active in the Canada/Japan businessmen's committee.

Attached is the Minister's schedule in  LIBRARY.

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FOR FURTHER INFORMATION, CONTACT:

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VISIT OF THE HONOURABLE HERB GRAY

TO JAPAN AUGUST 3-11, 1980

(Schedule as of 25 July 1980)

Saturday, August 2:	1540	- Arrive Narita Airport, Tokyo Via CP 401
	1730 (approx.)	- Arrive Hotel Okura
Sunday, August 3:	1000	- Meeting with Saburo Okita Government Representative for Economic Relations and Former Foreign Minister
Monday, August 4:	0900-1030	- Briefing at Embassy
	1100-1330	- Meeting with Japan Automobile Manufacturers' Association (Toshio Nakamura, Senior Managing Director) Followed by Lunch
	1400-1530	- Meeting with T. Ishihara, President, Nissan Motor Co. (Datsun)
	1600-1730	- Meeting with S. Sasaki, President, Fuji Heavy Industry (Sabaru)
	1900	- Depart Tokyo Via Bullet Train (Shinkansen)
	2100	- Arrive Nagoya and Proceed to Nagoya Castle Hotel
Tuesday, August 5:	0800-0900	- Briefing on Day's Program Over Breakfast
	0900	- Depart Nagoya by Car for Toyota City
	1030-1200	- Meeting with Mr. Eiji Toyota, President, Toyota Motor Co.
	1200-1300	- Lunch
	1300	- Depart for Toyohashi
	1400-1530	- Meeting with Senior V.P. Suzuki Motor Co.

Tuesday, August 5: (cont'd)	1607	- Depart by Train for Tokyo
	1830	- Arrive Tokyo and Proceed to Okura Hotel
Wednesday, August 6:	0730-0830	- Briefing at Okura Hotel
	0900-1030	- Meeting with Mr. H. Yoshimura, President, Hitachi Electric Co.
	1100-1200	- Meeting with Shogo Tsuru, Chairman, Auto Parts Industry Association
	1230-1430	- Lunch with Mr. Y. Morozumi, President, Electric Power Development Co.
	1500-1630	- Meeting with Mr. K. Kawashima, President, Honda Motor Co.
	1830-2130	- Energy/Resources Dinner
Thursday, August 7:	0800-0900	- Briefing
	1000-1100	- Meeting with Mr. Michio Watanabe Minister of Finance
	1200-1330	- Lunch - Japanese Committee, Canada/Japan Businessmen's Cooperation Committee
	1400-1500	- Meeting with Mr. Rokusuke Tanaka, Minister of International Trade and Industry
	1530-1730	- Address at Keidanren
	1800-2000	- Reception at Canadian Embassy
Friday, August 8:	0800-0900	- Briefing
	0930-1030	- Meeting with Ichiro Shioji, President, Confederation of Japan Automobile Workers Unions
	1100-1200	- Meeting with Mr. Masayoshi Ito Minister of Foreign Affairs

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Friday, August 8: (cont'd)	1200-1430	- Meeting and Lunch with Nobuhiko Ushiba Japanese Chairman of Japan/USA Wisemen's Group
	1700-1745	- PRESS CONFERENCE
	1745-1815	- Meeting with Canadian Press Correspondents
Saturday, August 9:		- Debriefing (AM or PM)
Sunday, August 10:		- FREE
Monday, August 11:	1845	- Depart Tokyo
		--- Cross Date Line ---
	1100	- Arrive Vancouver

FEDERAL GOVERNMENT SUPPORT FOR DASH-8 AIRLINER

IT&C 29/80

OTTAWA, August 29, 1980 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that the Cabinet has agreed in principle to provide support for the development by de Havilland Aircraft of Canada Limited of the DASH-8, a 32-seat short-haul passenger aircraft.

The Federal Government will also support in principle the associated development by Pratt and Whitney Aircraft of Canada of an advanced technology turboprop power unit for the new twin-engine airliner. The PT7A-2R engine will be designed and manufactured in Canada.

Twenty-six companies in eight countries have signed letters of intent to purchase 90 DASH-8s.

The all-Canadian DASH-8 will fill a slot in the commuter airline business which may require as many as 2,000 planes during the next decade. De Havilland and Pratt and Whitney are confident that their joint efforts will result in a fuel-efficient airliner capable of capturing at least 50 per cent of the 32-36 - seater market which, it is estimated, will be worth in excess of \$10 billion during a 10-year period.

Competition in the international marketplace will be intense. Three other countries -- Britain, Sweden and Brazil -- have plans for rival commuter aircraft; but the successful marketing and proven performance of the four-engine de Havilland DASH-7 and the Challenger, Canadair's executive jet, confirm Canada's leadership in these highly specialised segments of the aerospace industry.

The location of new de Havilland facilities for final assembly and testing of the DASH-8 is still under consideration.

- 30 -

FOR MORE INFORMATION, CONTACT:

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News Release Communiqué

Industry, Trade
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Industrie
et Commerce

Contact/Liaison

D.L. FROMOW (995-3201)

For release/Pour publication

IMMEDIATE

Subject/Sujet

AIDE DU GOUVERNEMENT FEDERAL AU TRANSPORTEUR DASH-8

IT&C 29/80

OTTAWA, le 29 août 1980 -- L'honorable Herb Gray, ministre de l'Industrie et du Commerce, a annoncé aujourd'hui que le Cabinet a consenti en principe, à participer à la mise au point, par la de Havilland Aircraft of Canada Limitée, du DASH-8, court-courrier de 32 places pour le transport des passagers.

Le gouvernement fédéral appuiera également en principe la mise au point connexe, par la Pratt and Whitney Aircraft of Canada, d'un moteur turbopropulseur de pointe pour le nouvel avion de ligne à bi-moteur. Le moteur PP7A-2R sera conçu et fabriqué au Canada.

Vingt-six sociétés de huit pays ont signé des lettres d'intention visant l'achat de 90 DASH-8.

Le DASH-8, entièrement fabriqué au Canada, répondra à un besoin des compagnies régionales qui pourraient acheter jusqu'à 2 000 aéronefs au cours de la prochaine décennie. La de Havilland et la Pratt and Whitney sont confiantes que, grâce à leurs efforts communs, elles arriveront à construire un transporteur à consommation optimale d'essence capable d'obtenir au moins 50% du marché des aéronefs de 32 à 36 places, marché qui, selon les estimations, représenterait plus de \$10 milliards pour une période de dix ans.

La concurrence sur le marché international sera intense. Trois autres pays -- la Grande-Bretagne, la Suède et le Brésil -- comptent construire des avions de ligne régionale; toutefois, la commercialisation fructueuse et le rendement prouvé du DASH-7 de Havilland à quatre moteurs et du Challenger, le réactif exécutif de Canadair, confirment le rôle de chef de file que joue le Canada dans ces secteurs très spécialisés de l'industrie aérospatiale.

L'emplacement des nouvelles installations de la de Havilland pour l'assemblage et les essais finals du DASH-8 est encore à l'étude.

- 30 -

POUR PLUS DE RENSEIGNEMENTS: M. D.L. Fromow
Direction des Industries de Transport (53)
Ministère de l'Industrie et du Commerce
235, rue Queen
Ottawa (Ontario) K1A 0H5

7/80 OTTAWA, September 2, 1980 -- The Minister of State for Small Businesses, The Honourable Charles Lapointe, announced today that nearly 7,000 loans totalling \$158,364,209 were made under the Small Businesses Loans Act during the first six months of 1980. This compares with 5,258 loans for \$128,799,507 during the same period in 1979.

Under the legislation a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million per year may obtain guaranteed loans from chartered banks and other designated lenders. The loans are to be used to purchase fixed or moveable equipment, purchase or build new premises, modernize existing facilities or purchase land or buildings for the operation of a business.

Loans must be secured and may be repayable over a period of up to 10 years. During the period ending June 30, 1980, the maximum of all loans outstanding to any one borrower was \$75,000, this limit was raised to \$100,000 effective July 1, 1980. The maximum interest that can be charged on loans is bank prime plus 1%. The rate fluctuates with the bank's prime for the term of the loan.

The Small Businesses Loans Act came into effect in January 1961. Since then, to the end of June, 1980 more than 72,000 loans totalling \$1,190,019,834 have been made.

- 30 -

FOR MORE INFORMATION, PLEASE CONTACT:

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(see over)

LOANS MADE UNDER THE
SMALL BUSINESSES LOANS ACT
FOR THE PERIOD JANUARY 1, 1980 TO JUNE 30, 1980

PROVINCE	THIS PERIOD JANUARY 1980 - JUNE 1980		LAST YEAR SAME PERIOD JANUARY 1979 - JUNE 1979	
	NO.	AMOUNT \$	NO.	AMOUNT \$
British Columbia	1,776	42,447,890	1,418	36,683,505
Alberta	740	17,046,811	520	11,520,871
Saskatchewan	425	10,001,780	358	8,695,853
Manitoba	225	6,385,517	213	5,099,856
Ontario	1,189	26,966,461	568	14,899,945
Quebec	2,073	47,263,564	1,817	42,955,949
New Brunswick	165	3,514,714	156	3,866,633
Nova Scotia	90	2,184,772	92	2,076,668
Prince Edward Island	27	410,028	42	732,220
Newfoundland	58	1,531,532	47	1,406,317
Yukon	19	501,340	24	797,090
Northwest Territories	4	109,800	3	64,600
TOTALS	6,791	158,364,209	5,258	128,799,507

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Contact/Liaison

BARBARA SULZENKO (996-1880)

For release/Pour publication

IMMEDIATE

Subject/Sujet

SUPERIOR OIL CO. (HOUSTON, TEXAS) DECISION WELCOMED

IT&C 30/80

OTTAWA, September 4, 1980 -- Industry, Trade and Commerce Minister Herb Gray today expressed satisfaction with the decision taken by the Board of Directors of The Superior Oil Co. of Houston, Texas on August 29 not to proceed with its previously-announced plan to amalgamate McIntyre Mines Ltd. of Toronto and Superior's wholly-owned subsidiary, Canadian Superior Oil Ltd. Under the amalgamation plan the minority shareholders of McIntyre Mines Ltd., many of whom are Canadians, were to have been asked to exchange their shares in McIntyre for non-voting shares in a new amalgamated corporation convertible into common voting shares of The Superior Oil Company.

The Minister noted that had the planned merger been executed, the degree of ownership by Canadians in McIntyre Mines would have been substantially lessened. Moreover, the merger would have eliminated the opportunity for Canadians to continue to invest directly in the equity of McIntyre, a long-established major Canadian resource enterprise, which includes among its holdings a coal property in Grande Cache, Alberta and a base metal mine in Quebec. According to the Minister, yet another, indirect result of the now-abandoned amalgamation would have been to diminish Canadian ownership in Falconbridge Nickel Mines Ltd. of Toronto, Canada's second-largest nickel producer; for McIntyre Mines Ltd. is by far the largest shareholder of Falconbridge.

"The decision of the Superior Oil Board ends speculation that Canadian interests in these two important resource-based companies stand to be significantly reduced", said Mr. Gray. "I am pleased with that outcome. It is clearly in keeping with the wishes of the Canadian people as expressed in the recent election and consistent with the government's declared policy of promoting

Canadian ownership and strengthening the stake of Canadians in their own economic destiny, particularly in the resource sector."

As Minister responsible for the Foreign Investment Review Act, Mr. Gray took the occasion to comment on the application of the Act to this and similar transactions. The Minister observed that some people evidently hold the view that, because The Superior Oil Company already largely controls both McIntyre and Falconbridge, an expansion of that control would not be reviewable under the Act. But, said the Minister, this position has not been accepted by the government. The matter is being looked at very closely, Mr. Gray said, with a view toward determining whether the present Act and/or Guidelines should be revised to remove any uncertainty on this point and ensure that they fully support the government's policy objectives.

FOR MORE INFORMATION, CONTACT:

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Contact/Liaison

For release/Pour publication

MARIE-LUCIE LAMBERT (613) 996-5546

IMMEDIATE

Subject/Sujet

CANADA SIGNS AGREEMENT WITH ARGENTINA

T 12/80 OTTAWA, October 6, 1980 -- The Hon. Ed Lumley, Minister of State for Trade, announced that Canada and Argentina have signed today an Agreement on Economic, Commercial and Industrial Co-operation. Signatories were Mr. Lumley and Sr. Alberto Grimoldi, Argentina's Secretary of State for Industrial Development.

Final negotiations on the Agreement took place during Mr. Lumley's visit to Buenos Aires at the beginning of last month. During Secretary Grimoldi's return visit this week to sign the agreement, discussions centered on the future operation of the bilateral agreement and, in specific terms, Canada's interest in the 2,700 MW Yacyreta hydroelectric project and Argentina's ambitious three-year development plan. This plan involves investment of \$20.5 billion concentrated in the following sectors: energy, transport, water services, communications and grain storage.

The Agreement provides a framework to facilitate investment opportunities, including transfers of technology, by establishing ways to exchange information on laws and regulations governing such investments and transfers. The information will permit assessment of economic development needs and priorities in each country and specifics on industrial and infrastructure projects and sectors.

Eleven sectors have been named in the Agreement in which cooperation between Canada and Argentina will be particularly beneficial to both countries. These are chemicals and petrochemicals; food industry; wood products and by-products; transportation equipment; mining and processing; grain storage; equipment related to petroleum and gas development; communications and telecommunications equipment; electrical power generation and transmission equipment; machine tools, engines and general machinery; and consulting services.

The Agreement specifies the establishment of a joint committee charged with promoting trade and commercial co-operation and resolving difficulties in the trade and economic relationship.

Argentina ranks fourth behind Venezuela, Brazil and Mexico as a major trading partner in Latin America. Canadian exports to Argentina last year amounted to \$282.25 million, while imports totalled \$65.5 million.

Chief exports last year included fuel oil, parts and accessories for motor vehicles, newsprint and paper and radioactive elements and isotopes. Exports of this last item have dropped considerably this year.

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For release/Pour publication

Norm Fraser (613) 593-6158

3:00 P.M.

Subject/Sujet

FEDERAL GOVERNMENT REPRESENTATIVE APPOINTED TO ASSIST IN MASSEY-FERGUSON DISCUSSIONS

ITC/34/80

OTTAWA, October 7, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today that John Abell has been appointed to act as the federal government's representative to assist Massey-Ferguson Limited, the Canadian Imperial Bank of Commerce, other banks, lenders and prospective investors in developing an adequate refinancing plan for Massey-Ferguson.

Mr. Abell is Vice-Chairman of Wood Gundy Limited. The federal government will appoint a second representative to work with Mr. Abell.

Mr. Gray said in his statement of October 3 that, "it is the federal government's view that, given adequate refinancing, Massey-Ferguson will continue to play a strong role in the Canadian economy and in world markets.

The federal government has decided to work closely with Massey-Ferguson, the Canadian Imperial Bank of Commerce and other interested principals in order to assist them to put together an adequate plan for the refinancing of the company."



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NORM FRASER

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For release/Pour publication

15h00

Subject/Sujet

**LE GOUVERNEMENT FÉDÉRAL A NOMMÉ UN REPRÉSENTANT POUR AIDER
MASSEY-FERGUSON DANS SES POURPARLERS**

ITC/34/80

OTTAWA, le 7 octobre 1980 -- L'honorable Herb Gray, ministre de l'Industrie et du Commerce, a annoncé aujourd'hui la nomination de M. John Abell en tant que représentant du gouvernement fédéral devant aider Massey-Ferguson, la Banque canadienne impériale de Commerce, d'autres banques, des prêteurs et des investisseurs éventuels à développer un plan de refinancement adéquat pour Massey-Ferguson.

M. Abell est vice-président du conseil de la firme Wood Gundy. Un deuxième représentant doit être nommé sous peu pour travailler en collaboration avec M. Abell.

M. Gray a dit dans sa déclaration du 3 octobre: "Selon le gouvernement, si la compagnie Massey-Ferguson obtient un refinancement adéquat, elle pourra continuer à jouer un rôle important qui permettra à Massey-Ferguson de continuer à jouer un rôle actif au sein de l'économie canadienne ainsi que sur les marchés mondiaux.

Le gouvernement fédéral a décidé de collaborer étroitement avec Massey-Ferguson, la Banque canadienne impériale de commerce et les autres parties intéressées, dans le but de les aider à trouver un plan adéquat pour le refinancement de la compagnie."

Contact/Liaison

MS. D. SOLLOS

6-1880

For release/Pour publication

OCT. 8, 1980 11:00 A.M.

Subject/Sujet

10TH ANNIVERSARY OF THE STANDARDS COUNCIL OF CANADA

ITC 35/80

OTTAWA, October 8, 1980 -- The Honourable Herb Gray, federal Minister of Industry, Trade and Commerce today issued the following statement:

"Ten years ago, recognizing the need to develop and promote standardization in Canada, Parliament established the Standards Council of Canada. Expanding world trade had emphasized the need for a common technical language - international standards - to facilitate the interchange of goods and services. Given that export trade is vital to Canada's economic well-being an orderly and effective national standardization program is one essential supporting element.

The Standards Council's principal achievement has been the creation of a National Standards System of Canada capitalizing on the experience and expertise of existing Canadian standards organizations, industries and the professions.

The Council has participated in and also exerted a significant Canadian influence on the work of the two major international standardizing bodies: the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).

Standards affect the public, whose health, safety and welfare depend upon their effectiveness, and the business community, whose exporting success depends in part on Canadian products meeting standards acceptable to other countries."



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For release/Pour publication

MLLE. D. SOLLOSY

6-1880

LE 8 OCTOBRE 1980, 11 HEURES

Subject/Sujet

10^{ème} ANNIVERSAIRE DU CONSEIL CANADIEN DES NORMES

ITC 35/80

OTTAWA, le 8 octobre 1980 -- Le ministre de l'Industrie et du commerce, l'Honorable Herb Gray, a fait, aujourd'hui, la déclaration suivante:

"Voici dix ans que le Parlement, après avoir pris conscience de la nécessité de mettre au point et de diffuser des normes au Canada, a créé le Conseil canadien des normes. L'expansion du commerce international a mis en évidence la nécessité d'un langage technique commun de normes internationales, afin de faciliter l'échange de biens et services. Étant donné que l'exportation est un élément économique vital pour le Canada, un programme national de normalisation, ordonné et efficace, est l'un des soutiens essentiels de l'aide à l'exportation.

La principale réalisation du Conseil des normes a été la création d'un système canadien des normes qui a tiré profit de l'expérience et des connaissances des organismes canadiens de normalisation déjà existants, des industries et des professions.

Le Conseil a participé et a exercé une influence canadienne certaine sur le travail de deux grandes organisations internationales de normalisation: l'Organisation internationale de la normalisation (OIN) et la Commission électrotechnique internationale (CIE).

Les normes touchent le public de près dans la mesure où sa santé, sa sécurité et son bien-être dépendent de leur efficacité. Elles touchent également le milieu des affaires dont les réussites à l'exportation dépendent, en partie, du fait que les produits canadiens répondent à des normes acceptables dans d'autres pays.

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NORM LEVESQUE

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For release / Pour publication

IMMEDIATE

Subject / Sujet

FEDERAL GOVERNMENT CUTS PAPER WORK BY ADDITIONAL \$200 MILLION

SB 10/80

OTTAWA, October 9, 1980 -- The Honourable Charles Lapointe, Minister of State, Small Businesses, and the Honourable H.A. Olson, Minister of State for Economic Development, today announced 58 additional measures which will result in an annual reduction of about \$200 million in paper burden for the Canadian business community.

The Federal measures, which are in response to concerns expressed by the business community -- especially small businesses -- will bring to \$300 million the annual savings resulting from the paper work eliminated by the government during the two-year term of the Office for the Reduction of Paperburden. The approved reductions exceed by \$100 million the target initially set for the Office.

With the closing of the Paperburden Office several of its functions will be continued by the Small Business Secretariat of the Department of Industry, Trade and Commerce.

Mr. Lapointe noted that the beneficial impact of the recent cuts will be felt most by the more than 640,000 small businesses across Canada which have frequently found Government form-filling to be extremely time-consuming and costly.

Senator Olson pointed out that this latest round of initiatives required the full co-operation of almost every Government department.

"They all pulled together to achieve a balance between the wishes of business and the needs of the Federal Government."

He added that the biggest chunk of savings -- about \$100 million a year -- would result from reducing and simplifying the requirements relating to retention of records.

"By checking with the business community we found that storing old records was a big and costly problem. In all, business firms across Canada store some 170 million cubic feet of records, enough to fill a train stretching from Toronto to Montreal. The annual cost of storing these records is about \$500 million.

"We also found out that federal government regulations cause about 40 per cent of this burden."

The thrust of these new measures is to greatly simplify the existing regulations and put a cap on the well. As a result of the new recommendations, records will be put into seven classifications with a maximum retention period of six years, except for banking and other financial institutions which will have a retention period of 10 years.

At the moment, no specific retention time has been set for health and safety records, restricted drugs, research and development.

"This will be especially good news for people in small businesses who have been reluctant to destroy records thereby bearing the brunt of paying for storage." Mr. Lapointe noted, "Any department or agency that now wants business to store records beyond six years will be required to specify, before a special interdepartmental committee, those records it wishes to have retained and then show cause for any extension."

The special committee will be chaired by a Treasury Board representative with senior membership from the Departments of Industry, Trade and Commerce and Justice, and the Public Archives.

"The onus has thus been shifted from the business community to the Government departments. In future, public servants will be required to give more careful consideration to retention requirements and to their impact on the business community," Senator Olson said.

Another major recommendation that has been approved should result in an annual saving of \$36 million to the trucking industry.

The Department of Labour is continuing its efforts to develop a system which would eliminate the daily log that has been required under the Hours of Service Regulations.

This form is filled out daily by some 60,000 commercial vehicle drivers and must be retained for inspection for 13 months.

Statistics Canada, which has been a major partner in the reduction of paperburden in the past, is again modifying a number of surveys, notably its monthly survey of Employment, Payrolls and Hours, which alone will save business an estimated \$21 million a year.

Changes to be made to Customs and Excise regulations will permit importers to consolidate shipments on one form - instead of a separate form for each shipment and remit taxes and duties on a monthly basis, resulting in savings of \$20 million a year.

"The measures that we announcing are practical, tangible examples of the Federal Government's commitment to reduce red tape for the business community", Senator Olson said.

"But paperburden represents only the tip of the iceberg. The greater problem of regulatory reform is being actively addressed by my colleague, the President of the Treasury Board and by the ongoing work of the Economic Council of Canada and the Parliamentary Task Force on Regulatory Reform."

The announcement was made at simultaneous news conferences by Mr. Lapointe in Montreal and by Senator Olson in Toronto.

FOR FURTHER INFORMATION, CONTACT:

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Small Business Secretariat
Industry, Trade and Commerce
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Ottawa, Ontario

Tel: (613) 995-3283

Contact / Liaison

N.A. FRASER (613) 593-6158

For release / Pour publication

IMMEDIATE

Subject / Sujet

SECOND GOVERNMENT APPOINTMENT FOR MASSEY-FERGUSON

IT&C 36/80

OTTAWA, October 10, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today that Mr. Gordon Lackenbauer has been appointed as the federal government's other representative to assist Massey-Ferguson Limited, the CIBC, other banks, lenders and prospective investors in developing an adequate refinancing plan for Massey-Ferguson.

Mr. Lackendauer is Vice President and Director of Pitfield Mackay Ross Limited. His appointment follows that of Mr. John Abell, announced recently.



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For release / Pour publication

IMMÉDIATE

Subject / Sujet

MASSEY-FERGUSON: LE GOUVERNEMENT FAIT UN DEUXIÈME NOMINATION

IT&C 36/80

OTTAWA, 1e 10 octobre 1980 -- L'honorable Herb Gray, ministre de l'Industrie et du Commerce, a annoncé aujourd'hui la nomination de M. Gordon Lackenbauer en tant que deuxième représentant du gouvernement fédéral devant aider Massey-Ferguson, la BCIC, d'autres banques, des prêteurs et des investisseurs éventuels à développer un plan de refinancement adéquat pour Massey-Ferguson.

M. Lackenbauer occupe les postes de vice-président et de directeur du conseil de la firme Pitfield Mackay Ross. Sa nomination suit de près celle de M. John Abell.

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Contact Liaison

DOUG FYFE

995-7137

For release Pour publication

OCTOBER 20, 1980 3:30 P.M.

Subject/Sujet

MASSEY-FERGUSON RECAPITALIZATION

ITC 37/80

OTTAWA AND TORONTO, OCTOBER 20, 1980 -- The Federal Minister of Industry, Trade and Commerce Herb Gray , and the Ontario Minister of Industry and Tourism Larry Grossman, today issued the following statement:

"The Governments of Canada and Ontario have been advised that with an appropriate measure of government assistance, the prospects of private sector sources putting together an adequate recapitalization for Massey-Ferguson Limited will be enhanced.

To this end, the governments are prepared to guarantee the capital risk of a portion of the new equity investment in Massey-Ferguson, providing various conditions are met, including a satisfactory degree of co-operation from the existing lenders.

This information has been communicated to Massey-Ferguson and they will be meeting with their existing lenders and other prospective investors."



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DOUG FYFE

995-7137

For release/Pour publication

LE 20 OCTOBRE 1980 15h30

Subject/Sujet

LA RECAPITALISATION DE MASSEY-FERGUSON

ITC 37/80

OTTAWA ET TORONTO, Le 20 octobre 1980 -- L'honorable Herb Gray, ministre fédéral de l'Industrie et du Commerce, et l'honorable Larry Grossman, ministre ontarien de l'Industrie et du Tourisme, ont fait aujourd'hui la déclaration suivante:

"Les gouvernements du Canada et de l'Ontario ont été avisés que des mesures appropriées d'aide gouvernementale améliorerait les possibilités que le secteur privé réunisse les sommes nécessaires à la recapitalisation de Massey-Ferguson."

A cette fin, les gouvernements sont prêts à garantir les risques financiers d'une partie des nouveaux investissements nécessaires à Massey-Ferguson, cela, à diverses conditions, incluant une coopération satisfaisante de la part des créanciers actuels.

Cette information a été communiquée à Massey-Ferguson qui rencontrera ses créanciers actuels et d'éventuels investisseurs.

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B.M. BARR

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OCTOBER 23, 1980 IMMEDIATE

Subject / Sujet

CANADIANS SUCCESSFUL AT GERMAN AUTOPARTS SHOW

TC 38/80 OTTAWA, October 23, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today that Canadian manufacturers of automotive parts made sales of \$1.4 million at the Automechanika International Trade Fair in Frankfurt, Germany, last month. One first-time exhibitor, for example, signed a contract with a German company amounting to approximately \$800,000 over the next 12 months.

The 29 Canadian companies that exhibited under IT&C sponsorship also reported that they expect sales worth close to \$11 million over the next 12 months as a direct result of the interest shown by foreign buyers at the show.

Mr. Gray said that Canadian companies will be exhibiting at three other automotive trade shows within the next few weeks with the assistance of the Department of Industry, Trade and Commerce: the Speciality Equipment Manufacturers Association show (SEMA), in Las Vegas, Nevada; the Automotive Parts and Accessories Association show (APAA) in Atlanta, Georgia; and the EXPOMOTRIX show in Caracas, Venezuela. This last show will be the first time Canadian companies have exhibited in South America.

"The success of Canadian original equipment and after market auto parts manufacturers at the Automechanika show in Germany is proof of how Canadian auto parts are increasingly accepted in the world market." Mr. Gray said.

FOR FURTHER INFORMATION, CONTACT:

B. M. Barr
Transportation Industries Branch
Department of Industry, Trade & Commerce
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Industry, Trade
and Commerce

Industrie
et Commerce

Contact: Liaison

B. M. BARR

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For release Pour publication

LE 23 OCTOBRE 1980 IMMEDIATE

Subject: Sujet

SUCCÈS CANADIEN DANS UNE EXPOSITION ALLEMANDE DE PIÈCES AUTOMOBILES

ITC 38/80

OTTAWA, le 23 octobre 1980 -- Le ministre de l'Industrie et du commerce, l'honorable Herb Gray, a annoncé aujourd'hui que des fabricants canadiens de pièces automobiles ont réalisé un chiffre de vente de \$1 4 million à l'exposition internationale Automechanika, qui a eu lieu le mois dernier à Francfort en République fédérale d'Allemagne. Un exposant qui participait pour la première fois à Automechanika a signé un contrat avec une compagnie allemande, qui s'élève à environ \$800 000 et porte sur les douze prochains mois.

Les 29 entreprises canadiennes qui, sous le parrainage d'I. et C. ont participé à cette exposition, ont également fait savoir qu'elles s'attendent à réaliser un chiffre de vente de près de \$11 millions au cours des douze prochains mois, suite à l'intérêt montré par les acheteurs étrangers lors de cette exposition.

M. Gray a indiqué que les entreprises canadiennes participeront à trois autres expositions automobiles au cours des prochaines semaines avec l'appui de son ministère. Ces expositions sont: The Speciality Equipment Manufacturers Association Show (SEMA) à Las Vegas au Nevada; the Automotive Parts and Accessories Association Show (APAA) à Atlanta en Georgie; et l'EXPOMOTRIX à Caracas au Vénézuëla. A l'occasion de cette dernière exposition, les entreprises canadiennes participeront pour la première fois à une exposition en Amérique du Sud.

"Le succès de ces fabricants canadiens de pièces d'origine et de remplacement à l'exposition Automechanika est la preuve que les produits canadiens sont de plus en plus acceptés sur le marché mondial," a déclaré M. Gray.

- 30 -

POUR DE PLUS AMPLES RENSEIGNEMENTS, VEUILLEZ COMMUNIQUER AVEC:

B. M. Barr
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Ministère de l'Industrie et du commerce
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Industry, Trade
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For release/Pour publication

IMMEDIATE

Subject/Sujet

SURVEY OF 1981 CAPITAL INVESTMENT INTENTIONS OF LARGE FIRMS

ITC 47/80

OTTAWA, December 10, 1980 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, today released the highlights of the October 1980 ITC Survey of Business Capital Investment Intentions of Large Firms.

This survey provides an indication of planned investment spending for 1981 based on conditions at the time of the survey.

Main Highlights

The survey suggests that business capital investment in 1981 will continue to be a source of strength for the growth of the Canadian economy, as it was in 1979 and 1980, but at a reduced rate. Approximately 300 companies reporting in this October survey indicate that their real capital spending may increase by about 15 per cent in 1981 over the revised 1980 level.

It should be noted that the survey was conducted before the federal Budget was announced. The companies involved in the October survey were unable to take into account the federal Budget when updating their investment plans.

The planned increase of 15 per cent represents only the reported plans of the surveyed companies which are a panel of large firms. Their spending plans may be substantially different from the economy as a whole. In the past it has been noted that these reporting firms overestimate their initial spending plans in terms of realizations. This phenomenon is further emphasized when the economy is at a cyclical turning point.

Thus, after adjustment, the results from this October survey suggest that for 1981, actual or realized business spending on new plant and equipment in the Canadian economy (excluding housing) may be up by

2-3 per cent in real terms. This compares with an estimated increase of 5-7 per cent for 1980 and a 9.4 per cent increase reported for 1979 on a National Account basis.

Other Highlights

- Responding companies indicate their level of spending on new plant and equipment in 1981 to be about \$31 billion (constant 1980 dollars), an increase of about \$4 billion over 1980. (All dollar figures are constant 1980 dollars, except where noted otherwise.)
- Manufacturing corporations' capital spending on new plant and equipment in 1981 is expected to be \$8.2 billion. (All investment of a corporation is allocated on a "main line of business" basis. For example, a manufacturing corporation may have mining operations or real estate ventures, but all investment reported by this manufacturing corporation is allocated to manufacturing.) The stronger spending is concentrated in forest products and chemicals industries. Spending by auto manufacturers on re-tooling for smaller cars is also evident in the transportation equipment industry. Food and beverage and other manufacturing indicate weak spending on new plant and equipment.
- The spending plans of the non-manufacturing sector in 1981 are expected to reach about \$23 billion which is an increase of about 11 per cent over the 1980 level. Notable strength is apparent in oil and gas pipelines as well as in the transportation and storage industry.
- Private spending on new plant and equipment is anticipated to increase this year by 17 per cent in real terms compared with an increase of about 10 per cent for the public portion of the business sector.
- The large firms anticipate a cost adjustment factor of about 9.4 per cent for 1981, the same inflation rate used by these large firms in their budgets of 1980.

- A total of over \$10 billion in capital investments that was not included by the large corporations in their capital spending plans was, nevertheless, thought to hold high potential for introduction over the medium term.
- On a regional basis, the Atlantic region, Ontario and the Prairies are notable areas of strength, each showing above average rates of percentage increases for 1981.
- During 1981 the manufacturing companies in the survey panel expect to operate at 88 per cent capacity - about 2 per cent higher than their 1980 operating level.
- Sales are expected to advance by about 13 per cent, in current dollar terms, or about 3 per cent in real terms, above the 1980 level.
- Foreign owned firms show the same rate of increase in real capital spending in Canada for 1981 as domestic majority-owned firms (about 15 per cent).
- A comparison of this survey's results with those of the April 1980 survey shows a slight downward adjustment of earlier plans for total investment for 1980, attributable entirely to manufacturing. There was also an upward adjustment of earlier reported plans for 1981 and for the 1982-84 period.
- Capital investment abroad is expected to increase by about 26 per cent in current dollar terms.

FOR FURTHER INFORMATION, CONTACT:

A. Skahen
Micro Economic Analysis Branch
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235 Queen Street
Ottawa, Ontario
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Tel: (613) 992-4753

TABLE 1

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1980 AND PLANS FOR 1981 -- CANADA
(Constant 1980 \$ Millions)

Industry	1980	1980	1981	1981
	Reported in Apr. 1980	Reported in Oct. 1980	Reported in Apr. 1980	Reported in Oct. 1980
Food & Beverages	433.7	406.8	383.7	408.1
Forest Products	1,732.7	1,621.5	1,828.9	2,213.3
Primary Metals	1,363.5	1,302.3	1,599.0	1,595.2
Chemicals	680.3	612.9	777.2	1,056.2
Transportation Equip.	1,290.9	1,175.4	1,126.8	1,438.7
Other Manufacturing	1,479.0	1,394.4	1,446.9	1,524.1
<u>Total Manufacturing</u>	<u>6,980.1</u>	<u>6,513.3</u>	<u>7,162.5</u>	<u>8,235.6</u>
Mining Companies	1,841.1	1,790.4	1,836.1	1,977.6
Oil & Gas Companies	5,891.5	6,478.8	6,452.2	7,556.5
Oil & Gas Pipelines	1,055.4	922.2	1,525.4	1,488.8
Transp. & Storage	1,521.7	1,413.2	1,859.0	1,848.6
Communications	2,381.5	2,379.5	2,354.6	2,492.5
Electric Utilities	6,880.2	6,640.2	6,776.1	6,470.5
Trade, Finance & Other Commercial	1,222.1	1,170.0	1,295.9	1,288.4
<u>Total Non-Manufacturing</u>	<u>20,793.5</u>	<u>20,794.3</u>	<u>22,099.3</u>	<u>23,122.9</u>
<u>TOTAL</u>	<u>27,773.6</u>	<u>27,307.6</u>	<u>29,261.8</u>	<u>31,358.5</u>

* Only those firms which reported for the April 1980 and the October 1980 Surveys for the years 1980 and 1981 are used in this table, namely 295 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1980 AND PLANS FOR 1981 -- CANADA
(Constant 1980 \$ Millions)

Industry	Revisions between April 1980 & October 1980 Surveys (Percent Change)		1981/80 Year to Year (Percent Change)	
	1980	1981	Reported in Apr. 1980	Reported in Oct. 1980
Food & Beverages	-6.3	6.3	-11.6	0.3
Forest Products	-6.5	21.0	5.5	36.4
Primary Metals	-4.5	-0.3	17.2	22.4
Chemicals	-10.0	35.8	14.2	72.3
Transportation Equip.	-9.0	27.6	-12.8	22.4
Other Manufacturing	-5.8	5.3	-2.2	9.3
<u>Total Manufacturing</u>	<u>-6.7</u>	<u>14.9</u>	<u>2.6</u>	<u>26.4</u>
Mining Companies	-2.8	7.7	-0.3	10.4
Oil & Gas Companies	9.9	17.1	9.5	16.6
Oil & Gas Pipelines	-12.7	-2.4	44.5	61.4
Transp. & Storage	-7.2	-0.6	22.1	30.8
Communications	-0.1	5.8	-1.2	4.7
Electric Utilities	-3.5	-4.6	-1.6	-2.6
Trade, Finance & Other	-4.3	-0.6	6.0	10.1
Commercial				
<u>Total</u>				
<u>Non-Manufacturing</u>	<u>0.0</u>	<u>4.6</u>	<u>6.2</u>	<u>11.1</u>
<u>TOTAL</u>	<u>-1.7</u>	<u>7.1</u>	<u>5.3</u>	<u>14.8</u>

* Only those firms which reported for the April 1980 and the October 1980 Surveys for the years 1980 and 1981 are used in this table, namely 295 firms.

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IMMEDIATE

Subject/Sujet

OTTAWA FIRM AWARDED \$200,000 EDP GRANT

ITC 48/80

OTTAWA, December 18, 1980 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce announced today a \$200,000 innovation grant under his department's Enterprise Development Program (EDP) to Technetronic Inc. of Ottawa.

The 100 per cent Canadian-owned company will use the grant to develop a computer system for monitoring and planning computer operations to increase the efficiency and extend the life-span of large-scale computer systems. It is believed to be the only company in the world developing this product.

Technetronic was founded early in 1979 to provide software service in the field of computer installations and operational planning.

The company expects sales of this product to exceed \$30 million within the next four years. Over this time frame its revenues will come 10 per cent from the Canadian public sector, 25 per cent from the private sector and 65 per cent from exports.

Technetronics already numbers among its customers the Department of Indian and Northern Affairs, the Canadian Imperial Bank of Commerce, the Alberta Government Data Service, Metropolitan Life Insurance Co. of Canada and Simpsons. It also has contracts in the United States to monitor large-scale computer systems.

The Enterprise Development Program was established on April 1, 1977, to stimulate industrial development in Canada, to induce worthwhile projects which would not be undertaken by the private sector alone due to the risk inherent in the project.

It provides contributions to develop proposals for projects eligible for assistance; for product development and design; and to study productivity improvement. It also provides loan insurance.

FOR FURTHER INFORMATION CONTACT: W.H. Lambton - (613) 995-8900

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For release/Pour publication

IMMÉDIATEMENT

Subject/Sujet

SUBVENTION DE \$200,000 A UNE FIRME D'OTTAWA

ITC 48/80

OTTAWA, le 19 décembre 1980 -- L'honorable Herb Gray, ministre de l'Industrie et du Commerce, a annoncé aujourd'hui que son ministère avait accordé une subvention à l'innovation à la firme Technetronic Inc., d'Ottawa, dans le cadre du programme pour l'expansion des entreprises (PEE).

Cette compagnie entièrement canadienne, consacrera cette subvention au développement d'un système qui permettra de diriger et de planifier les opérations d'ordinateurs, afin d'accroître l'efficacité et la longévité des systèmes majeurs d'ordinateurs. Technetronic serait la seule firme au monde présentement à travailler à la mise au point d'un tel produit.

La compagnie a été fondée en 1979, comme spécialiste des services de software pour l'installation et la planification d'opérations d'ordinateurs.

Technetronic s'attend à des ventes de ce produit supérieures à \$30 millions au cours des quatre prochaines années, et calcule que 10% de ses recettes proviendront du secteur public canadien, 25% du secteur privé et 65% des exportations.

La compagnie compte déjà parmi ses clients le ministère des Affaires indiennes et du Nord, la Banque canadienne impériale de Commerce, les services de données du gouvernement de l'Alberta, la Métropolitaine, Cie d'Assurances et Simpsons. Elle a aussi des contrats aux Etats-Unis, où elle s'occupe d'importants réseaux d'ordinateurs.

Le programme pour l'expansion des entreprises, institué le 1er avril 1977, vise à stimuler le développement industriel au Canada et à permettre l'élaboration et la réalisation de projets qui, bien que valables, ne verraient pas autrement le jour étant donné que le secteur privé seul refuserait de s'y lancer en raison des risques inhérents.

Il prévoit des contributions financières pour l'élaboration de propositions de projets admissibles à une aide, pour le design et le développement de produits, et pour l'étude des moyens d'améliorer la productivité. Enfin, il fournit de l'assurance-prêt.

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W.S.D. HENDRY

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For release/Pour publication

IMMEDIATE

Subject/Sujet

SMALL BUSINESS LOANS CONTINUE TO INCREASE

SB 12/80

OTTAWA, December 19, 1980 -- The Honourable Charles Lapointe, Minister of State for Small Business, announced today that 11,134 loans under the Small Businesses Loans Act have been made in the first nine months of the year, amounting to \$264,859,073. This compares with 7,875 loans for \$194,261,227 during the same period in 1979.

Under the legislation, a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million per year may obtain guaranteed loans from chartered banks and other designated lenders. The loans are to be used to purchase fixed or moveable equipment, purchase or build premises, modernize existing facilities or purchase land for the operation of a business.

Loans must be secured, and may be repayable over a 10-year period. The maximum that may be outstanding to any one borrower at any time is \$100,000. The maximum interest rate that can be charged on these loans is bank prime plus 1 per cent, the rate fluctuating with the bank's prime during the term of the loan.

The Small Business Loans Act came into effect in January 1961. Since then, to the end of September 1980, more than 77,000 loans totalling \$1,307,514,662 have been made.

Attached is a table listing loans by province.

FOR MORE INFORMATION CONTACT:

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Small Business Loans Administration (41A),
Department of Industry, Trade and Commerce,
235 Queen Street,
Ottawa, Ontario.
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Telephone: (613) 995-0497

LOANS MADE UNDER THE
SMALL BUSINESSES LOANS ACT

Province	3rd Quarter: July 1 to September 30		Year: January 1 to September 30	
	1980	1979	1980	1979
British Columbia	# \$	# \$	# \$	# \$
	1,112	645	2,958	2,066
	28,184,193	16,953,279	72,505,948	53,728,909
Alberta	# \$	# \$	# \$	# \$
	435	284	1,203	804
	9,751,959	6,715,240	27,588,140	18,236,111
Saskatchewan	# \$	# \$	# \$	# \$
	242	203	685	561
	5,222,293	5,224,401	15,761,647	13,920,254
Manitoba	# \$	# \$	# \$	# \$
	105	122	339	337
	2,869,739	3,176,820	9,450,386	8,305,826
Ontario	# \$	# \$	# \$	# \$
	741	326	1,971	897
	19,302,568	8,382,600	47,693,420	23,379,645
Quebec	# \$	# \$	# \$	# \$
	1,289	858	3,405	2,679
	29,646,539	20,543,594	78,048,930	63,621,163
New Brunswick	# \$	# \$	# \$	# \$
	68	85	241	242
	1,716,376	2,054,419	5,472,996	5,926,352
Nova Scotia	# \$	# \$	# \$	# \$
	54	37	148	129
	1,360,582	903,178	3,643,039	2,979,846
Prince Edward Island	# \$	# \$	# \$	# \$
	19	13	48	55
	605,842	233,150	1,095,970	956,370
Newfoundland	# \$	# \$	# \$	# \$
	39	24	99	71
	980,389	617,019	2,598,921	2,023,336
Northwest Territories	# \$	# \$	# \$	# \$
	4	2	10	5
	125,420	58,925	306,220	123,525
Yukon	# \$	# \$	# \$	# \$
	7	5	27	29
	162,080	253,800	693,420	1,050,890
Totals	# \$	# \$	# \$	# \$
	4,115	2,604	11,134	7,875
	99,927,980	65,116,425	264,859,037	194,252,227

Contact/Liaison

For release/Pour publication

I. CRAIG

995-3201

January 5, 1981 10:30 a.m.

Subject/Sujet

NEW FRONT WHEEL DRIVE TO BE ASSEMBLED IN CANADA AS A RESULT OF LIMITED
CONDITIONAL ADJUSTMENTS TO FORD MOTOR COMPANY RATIO REQUIREMENTS

ITC 1/81

OTTAWA, January 5, 1981 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, today announced that the Government will make limited conditional adjustments in the ratio requirements for the Ford Motor Company of Canada which will result in the production of a new fuel-efficient, front wheel drive compact car at the company's Oakville assembly plant, beginning in 1983.

In the interim, the Oakville plant will be converted to all-car production early in 1981 and Ford intends to restore a second shift there by June. These adjustments will provide 1300 additional jobs.

Mr. Gray said that he attached great importance to the conversion of Canadian automotive plants, using the latest technology, to the manufacture of the products of the future.

Ford has three assembly plants in Canada: the St. Thomas, Ontario Plant now being converted to the assembly of the two new sub-compact two-seaters -- Lynx & Escort; the Oakville, Ontario Truck Plant assembling light trucks; and the Oakville Car Assembly Plant in which vans (those vans with more than 10 seats are classed as buses) and LTD automobiles are being assembled on one line in a single shift.

The general Canadian ratio requirements under the Auto Pact stipulate that separate production sales ratios be maintained for automobiles, buses and specified commercial vehicles. Specified commercial vehicles are motor trucks, ambulances or hearses, or the chassis thereof.

The production of the Ontario Truck Plant alone is not sufficient for Ford to meet its van and truck ratio requirements, therefore, Ford has been assembling a certain number of vans on the same

line as LTDs in its Oakville Car Assembly Plant. It is not technically possible to assemble rear-wheel drive vans and the new front-wheel drive cars on the same line.

Moreover, Ford could meet all of its present automobile ratio requirements from the production expected at the St. Thomas Plant. It could meet its ratio requirement on vans and trucks from a combination of production at the Ontario Plant and by importing a limited number of vans from the U.S. on which it would pay duty. Therefore, the continuing future operation of the Oakville Car Assembly Plant would be in jeopardy.

Consequently, the Ford Motor Company and the Federal Government entered into negotiations. The resulting agreement will mean that as a result of a limited modification in Ford's ratio requirements the company will assemble a new compact front-wheel drive car in Oakville and in the meantime would convert the plant to an all-car assembly operation increasing the production of LTDs and add a second shift beginning in June, 1981.

The ratio changes with respect to the Ford Motor Company are as follows:

- a) Specified commercial vehicles and buses will be combined into a single vehicle class with a ratio requirement of 107.8:100 (current levels are 108.1 for specified commercial vehicles and 89.8 for buses). This combination is on the understanding that Ford will not import transit or intercity buses against this ratio.
- b) A floor level of actual production must be maintained in the new combined specified commercial vehicle/bus ratio at a minimum level of 80:100 through the 1983 model year. The floor level may be reduced to 75:100 in 1984 and 1985 model years should a double shift at the Ontario Truck Plant be insufficient to achieve 80:100 level.
- c) The current passenger car ratio requirement of 99.4:100 must be maintained. Excess automobile production, to a maximum of 20 per cent, may be transferred to the commercial vehicle/bus class.

Mr. Gray said that these limited ratio changes are conditional on Ford carrying out its plans for its Canadian assembly operations.

These plans and conditions were set out in a letter dated December 22, 1980 signed by the Honourable Herb Gray and Roy Bennett President of the Ford Motor Company of Canada, which is attached.

- 30 -

FOR MORE INFORMATION CONTACT:

Mr. Ian Craig
Transportation Industries Branch

(613) 995-3201

December 22 1980

Mr. Roy F. Bennett
President & Chief Executive Officer
Ford Motor Company of Canada Limited
The Canadian Road
Oakville, Ontario
L6J 5E4

Dear Mr. Bennett:

RE: Ratio Flexibility for the Oakville Assembly Plant

I am pleased to acknowledge receipt of your letter of December 3, 1980 and the company plans that are described therein. My understanding of these plans is that, barring unforeseen circumstances, you will:

- a) convert the Oakville assembly plant to 100% car production;
- b) phase out large car production at the Oakville plant and substitute a new generation of fuel-efficient compact car production effective with the 1984 model year;

I note that you plan to maintain two shift production at the Oakville, Ontario and St. Thomas assembly plants.

It is understood that you will be continuing to implement your already announced plans to produce the Escort/Lynx coupe at the St. Thomas Plant in 1981 and that you will continue your program of supplier development which you intend to result in increased purchases of Canadian automotive parts in future years.

. . . /2

It is further noted that, as per our contractual agreement, production will commence on schedule at the Essex aluminum casting and engine plants.

I understand that these actions should improve the current account balance of the Ford Motor Company by about \$500 million p.a. in respect of in-house activity and by about an additional \$300 million p.a. in respect of purchased parts relative to the 1980 model year when the United States market comes out of recession.

I would expect that the plans you have outlined, and which are summarized above, will lead to a steady increase in Canadian Value Added (C.V.A.). As you are aware, I am giving consideration in the context of the Canada-USA consultations on the Automotive Products Trade Agreement to possible changes in C.V.A. requirements.

I am prepared to recommend ratio flexibility for the company on the following basis:

- (a) SCVs and buses will be combined into a single vehicle class with a ratio requirement of 107.8:100 on the understanding that imports of bus/bus chassis in 1981 and subsequent model years will not include transit buses or intercity coaches.
- (b) A floor level of actual production of SCV and Bus must be maintained in the combined SCV/bus ratio at a minimum level of 80:100 through the 1983 model year. The floor level will be reduced to 75:100 in the 1984 and 1985 model years should double shift production at the Ontario truck plant be insufficient to achieve the 80:100 level.
- (c) A passenger car ratio of 99.4:100 must be maintained. A surplus in the production element in the passenger car ratio up to a maximum of 20% of the total net sales value of production

of passenger cars by the company in Canada may be transferred to the production element in the SCV/bus class for purposes of determining qualification under clause (a) above.

- d) The company will confer with the Minister of Industry, Trade & Commerce prior to any firm decisions being taken in the event that unforeseen circumstances arise which may require the company to consider making substantial alterations to the plans outlined above.
- e) In agreeing to provide ratio flexibility as outlined in (a) to (c) above and subject to conditions in (d) above, the government reserves the right to withdraw, or to modify ratio flexibility in the event that the company fails to perform in accordance with the plans outlined above and the circumstances leading to failure were considered unjustified, or should changed circumstances warrant. The company would be given adequate notice of such withdrawal or modification. Such notice would be not less than one year.

The changes to the ratio requirement outlined in this letter may only be implemented by Order-in-Council. If the changes proposed and the foregoing terms are acceptable to you it will be my intention to initiate the necessary action seeking approval. I am, however, satisfied that these arrangements are acceptable in principle.

Agreed: Signed by
R.F. Bennett
Ford Motor Company
of Canada Limited

Proposed: Signed by
THE HON. HERB GRAY,
P.C., M.P.
Minister of Industry
Trade and Commerce

Contact/Liaison

For release/Pour publication

R. A. KILPATRICK (613) 593-7815

January 5, 1981 11:00 a.m.

Subject/Sujet

FEDERAL GOVERNMENT'S EXPORT DEVELOPMENT PROGRAM

T 1/81

OTTAWA, January 5, 1981 -- The federal government recently conducted a review of its export policies and programs to develop a more focussed and aggressive approach to export trade. A major element of the Government's export strategy was outlined today by the Minister of State for Trade, the Honourable Ed Lumley.

The federal government will provide funds to Canadian firms to match credit mixte terms being offered by foreign governments. Signings to a maximum of \$900 million over the next three years will be made available through the Export Development Corporation. EDC is a crown corporation providing export financing assistance to firms in all regions of Canada.

In the lucrative but highly competitive market for capital projects, offering billions of dollars of opportunities for Canadian firms, the Minister noted our particular strength in power generation, mining, forestry, transportation and telecommunications.

Mr. Lumley said that in many cases, particularly favourable export financing terms are available to foreign firms from their governments. This provides them with an advantage over Canadian firms who are otherwise competitive in price, delivery, quality, and service. The report of the Export Promotion Review Committee, submitted to the federal government carried this message as a major theme of its report.

Credit mixte is an export financing device that mixes concessionary financing with conventional export financing to produce low interest rates. This form of financing is being aggressively used by some of Canada's competitors in many bidding situations.

The Canadian Government and other like-minded industrialized nations have attempted to negotiate an international agreement to restrict the use of concessional financing. These negotiations have not been successful. However, Canada will continue to press for such an agreement with our trading partners.

In the absence of an agreement to control the use of such financing, our firms must have access to instruments similar to their competitors if Canada is to maximize its trade potential. The government is therefore making this financing facility available to Canadian firms to be used in selected cases on a matching basis when it is clear that our competitors are resorting to this form of export subsidization. Individual projects will be subject to Cabinet approval.

In addition to the credit mixte funding, the government also announced that the funding of its Program for Export Market Development (PEMD) has been doubled. Additionally, the Trade Fairs and Trade Missions Program has been expanded. Over the next two years, more than \$50 million will be available to assist Canadian companies.

The PEMD Program provides financing assistance to companies to develop export markets. It is being used by firms in all regions of Canada and has proven particularly effective for small and medium sized enterprises making their initial attempts at export marketing. The government also announced the expansion of the agriculture and fisheries sections of the PEMD Program.

"Increasing the funding level," the Minister said, "will enable more qualified Canadian firms to explore the very real possibility of sourcing markets and selling their products abroad."

The Minister of Trade stressed that while the credit mixte assistance and the increase in PEMD funding are positive measures to assist the exporting community, the requirement still exists for a cohesive and co-ordinated marketing thrust involving all the participants.

Mr. Lumley said that it is imperative that governments, federal and provincial, work together and support the private sector if Canada is to achieve success in an increasingly competitive international market.

Citing the Canadian representatives abroad, particularly the Trade Commissioner Service, and the network of Regional Offices in each province, the Minister stated that considerable resources are available to Canadian firms. The formation of the Export Trade Development Board provides another vehicle to assist the government in developing its export market programs.

"By drawing on existing resources and co-ordinating all our efforts, we will ensure that Canada captures its fair share of the growing world market," Mr. Lumley concluded.

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For release/Pour publication

Subject/Sujet

BACKGROUND TO SPECIAL INDUSTRY AND LABOUR ADJUSTMENT PROGRAM: NEW INDUSTRIAL ASSISTANCE MEASURES

For the community based portion of the program, assistance is available to commercial firms undertaking projects to establish, expand or restructure operations in designated Canadian communities. The program of the Department of Industry, Trade and Commerce will focus on:

- firms in the designated community encountering difficulties as a result of a product or market decline or as a result of inefficient or uncompetitive production methods, and which propose to restructure operations through: the introduction of new or improved products; entry into new or different markets; or modernization or improvements of productive facilities;
- firms in the community who wish to expand existing operations to take advantage of new or expanding market opportunities;
- firms from outside the community who wish to enter the community through the acquisition of or merger with a firm in the community or the establishment of operations in the community which will result in a significant increase in manufacturing or processing activity in the community.

Eligibility criteria

- The selected firm and project must be viable;
- The project would not be undertaken in the selected community without this special program assistance;
- The project offers significant net economic benefit and, as such would not create competitive overcapacity.

Forms of Assistance

- Contributions of up to 75% of consulting costs incurred in connection with the development of eligible projects.

- Contributions of up to 50% of the cost of capital projects (including the acquisition, construction, expansion, modification or conversion of machinery, equipment or buildings) undertaken by selected firms to establish, expand or restructure operations in selected communities.
- Contributions of up to 50% for preproduction costs associated with projects undertaken by selected firms to establish or restructure operations in selected communities.
- Negotiated repayment provisions would apply to contributions for capital and pre-production costs.

In particular industrial situations outside designated communities where specific restructuring projects cannot otherwise receive adequate aid under available programs the Government will consider proposals to provide financial assistance. The criteria, terms, and conditions governing this part of the industrial adjustment package will be the same as those applied under the ITC community based program.

Administration:

The ITC program will be administered by a new Industry and Community Development Panel of the Enterprise Development Board, which will be constituted for the duration of the program. Its function will be to decide on the merits of individual firm-specific project proposals and the terms and conditions of the assistance to be provided.

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IMMEDIATE

Subject/Sujet

LUMLEY TO MEET U.S. COUNTERPART

T 3/81

OTTAWA, January 29, 1981 - The Hon. Ed Lumley, Minister of State for Trade, announced today that he will be travelling to Washington tomorrow with his colleague the Hon. Mark MacGuigan, Secretary of State for External Affairs, who will be meeting the new U.S. Secretary of State Alexander Haig. Mr. Lumley will be meeting Mr. William Brock, U.S. Trade Representative, and Mr. Malcolm Baldrige, U.S. Secretary of Commerce, in Washington.

Mr. Lumley emphasized the importance of early contact with the new U.S. administration to maintain the good channels of communication, pointing out that the U.S. is Canada's biggest trading partner. He recalled that he had first met the previous U.S. administration just one week after his appointment as Minister of Trade.

Mr. Lumley said he wanted to draw the attention of his United States counterparts to some of the current problems affecting Canadian exports to the U.S. such as the Buy American legislation and practices that restrict the access of some Canadian exporters to the U.S. market.

"The requirements of a 'buy national' legislation often are not in U.S. or Canada's interests," he said.

Mr. Lumley said that, as Minister for Trade, it was his intention to visit all major U.S. cities and industrial areas during the coming months to make it known that Canada and the U.S. were each other's most important trading partners. "In this context, I consider it of great importance to take this early opportunity to meet with the new United States Trade Representative, Mr. William Brock, and with Mr. Baldrige, the new U.S. Secretary of Commerce."

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IMMEDIATE

Subject/Sujet

FEDERAL SUPPORT FOR DASH-8 AND NEW PT-7 AIRCRAFT ENGINE

ITC 4/81

OTTAWA, Jan. 30, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today details of federal support for two major aerospace projects. The federal government will provide loan guarantees to de Havilland of Canada Limited (Downsview, Ontario) for the development of the DASH-8, an entirely new 30-36 passenger aircraft, and will also give financial support to Pratt and Whitney Aircraft of Canada Limited (Longueuil, Quebec) for the design and development of the PT-7, a new advanced turbo-prop engine.

Federal government financial support to de Havilland will amount to a maximum of \$450 million in loan guarantees. In addition, DND land will be transferred to de Havilland to allow for the expansion of the physical facilities, and to ensure continued security of its flight operations at the site.

Assistance to Pratt and Whitney from the Defence Industry Productivity Program will total approximately \$50 million. Scheduled to commence production in 1983, engine sales, including those powering the twin-engine DASH-8, are estimated at more than one billion dollars over a 15 year period. Work on this new engine will increase the company's labour force by 1,000.

Sub-contract work on the DASH-8 will amount to an estimated \$130 million annually during the life of the program. Canadian companies coast-to-coast will share in the benefits. Several hundred sub-contractors and suppliers throughout Canada will provide parts and components for Pratt and Whitney's PT-7 engine.

The government has approved the de Havilland Board recommendation to establish new DASH-8 final assembly and test (FAT) facilities close to existing de Havilland design, development and manufacturing resources. It was judged in the final analysis that Downsview was the site best enabling de Havilland to meet the

delivery deadlines imposed by the market place and to deliver a competitively priced product.

The Minister said that the world-wide response to the DASH-8 concept has exceeded all expectations. Based on making first deliveries in 1984, the new aircraft has attracted 93 offers to purchase. Never before has a de Havilland of Canada plane made such an impact in advance of the first scheduled flight. Signed offers have been received from 26 companies in eight countries. American airline operators account for more than one half of the initial orders.

As a result of market analysis, de Havilland believe that the DASH-8 sales through to 1996 will exceed \$3 billion, representing almost 50% of the world market. Work on the new commuter aircraft will increase the company's labour force by 3,000.

The first DASH-8 aircraft is scheduled to fly in early 1983. Twelve months of exhaustive flight testing will precede certification of airworthiness, which means that the first customer can expect delivery in the Fall of 1984.

The sales potential of a high technology 30-36 seat STOL passenger aircraft has not escaped the notice of foreign plane builders. The Canadian product will be in direct competition with similar airliners now at the development stage by firms in France, Spain, Brazil and by an American/Swedish consortium.

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THE DE HAVILLAND AIRCRAFT OF CANADA, LIMITED

FACT SHEET

BACKGROUND

- The de Havilland Aircraft of Canada, Limited was incorporated in 1928 and acquired by the Crown in 1974
- From 1928 to 1945 it manufactured civil and military aircraft designed in the United Kingdom by its parent
- It became a fully integrated airframe manufacturer (design, development and manufacture) with the introduction of the Chipmunk trainer in 1946)
- Detailed below are aircraft programs which have been completed at de Havilland since 1945:

<u>Aircraft</u>	<u>Duration of Program</u>	<u>Number Produced</u>
1. Chipmunk	1946-51	217 (10M built under license in U.K.)
2. Beaver	1948-66	1,692
3. Otter	1950-66	466
4. Caribou	1957-64	307

- The following are programs presently being carried out at de Havilland:

<u>Aircraft</u>	<u>Program Commencement</u>	<u>Deliveries, Orders and options</u>
1. Buffalo	1966	100
2. Twin Otter	1966	750
3. DASH-7	1972	120

MARKET SEGMENT

- Since the development of the Beaver in 1948, de Havilland has produced aircraft for the STOL/Utility market
- Since deregulation of the airlines industry in to U.S., these aircraft have received an increasing level of acceptance by the commuter airline carriers

- Because of the turbo-props better fuel economics over short-haul routes, they are replacing existing jet service.
- This has led to an increasing demand for de Havilland's existing Twin Otter and DASH-7 aircraft.
- As the recognized leader in the development and marketing of STOL/commuter aircraft, de Havilland will exploit this market fully with the development of the DASH-8.

TOTAL SALES AND EMPLOYMENT

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total sales (\$000,000)	121	124	171	247
Total employment	-	3,228	4,600	5,200

DASH 8 PROGRAM FACT SHEET

MARKET

- Total world market: 1200 aircraft
- De Havilland's estimated share: 600 (estimated \$3 Billion)
- Orders to date ("Letters of Intent"): 93 of which 70 are for export

DEVELOPMENT COST

- Approximately \$250M over 1981-1985
- Additional costs for new equipment and facilities of approximately \$75M

AIRCRAFT SPECIFICATION

- High Wing - T-Tail
- Twin Engine - Pratt and Whitney PT7
- 32-36 Passenger
- Max. Payload - 8000 lbs.
- Pressurized for operation to 25,000 ft.
- Max. Cruise 300 mph (260 kts; 500 kph)
- Max. Range - 600 Naut. Miles (700 statute)
- Take-off Field Length - 3000 ft.
- Wing Span 82 ft; Length 71 ft.
- Fuel Efficient (40% improvement over current commuter turboprops)

SCHEDULE

- First Flight - June 1983
- First Delivery - September 1984
- Production rate -
building up in 1985 to peak
production of 5-6 per month
through to mid-1990's

EMPLOYMENT

- Generation of approximately 3000 jobs

PRATT AND WHITNEY AIRCRAFT OF CANADA LTD.

FACT SHEET

HISTORY

- Wholly owned subsidiary of United Technologies Corporation, East Hartford USA
- Incorporated in Canada in 1928 with Head Office in Longueuil Quebec
- Initially, a service centre for aircraft piston engines manufactured by parent company (Pratt and Whitney Aircraft U.S.)
- 1959 commenced design, development, manufacture and sale of small proprietary gas turbine engines (the PT6 family of turbo-props) with extensive government financial support.
- Over 16,000 PT6 engines sold to date. Current sales of about \$400 million from low of \$34 million in 1969.
- PT6 family of engines are currently in use in over 80 foreign countries.
- World lead in small gas turbine technology
- Current employment - 7,200

THE PT7 PROGRAM
AERO ENGINE FACT SHEET

- . Development cost - \$120 million (approximately)
- . Delivery of first prototype - February 1983
- . Department of Transport type approval expected - December 1983

BROAD CHARACTERISTICS

- . Advanced technology three-shaft turbo-propeller
- . Shaft horse power - 2000 shp
(DASH-8 to be powered by Model PT7A-2R a 1700 shaft horse power version)
- . Low noise; low specific fuel consumption rugged and good handling
- . Technical specifications available from Pratt and Whitney Aircraft of Canada Ltd.

MARKETS

- . Commuter and corporate turbo-propeller aircraft markets
- . Estimated sales volume approximately \$1.0 billion over 15 years

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IMMEDIATE

Subject/Sujet

AUSTRALIA AND SOUTH EAST ASIA PLACE ORDERS AT TORONTO FURNITURE SHOW

SB 2/81

OTTAWA, February 4, 1981 -- The Hon. Charles Lapointe, Minister of State for Small Business, Department of Industry, Trade and Commerce, has reason to be pleased with the Department's policy of inviting foreign buyers to major Canadian trade exhibitions. As a result of federal sponsorship, 25 store representatives from Australia, South East Asia, Britain and the United States attended the Toronto Furniture Show. The Australia and Singapore visitors, traditionally supplied by Britain, placed orders worth between \$350,000 and \$500,000 with Export Furniture Canada, a group comprising 20-25 furniture manufacturers. Follow-up sales to Australia and South East Asia could amount to another \$5 million in 1981.

The two-day Toronto Furniture Show, officially opened by Mr. Lapointe on January 12, attracted more than 10,000 trade representatives. The biggest event of its kind in Canada, the Toronto Furniture Show provides a national shop window for the latest products of 200 exhibitors. Orders placed at the Show represent an estimated twenty percent of the Canadian furniture industry's annual turnover of approximately two billion dollars.

The invitations extended to 25 foreign furniture buyers were made possible by the Promotional Projects Program of the Department of Industry, Trade and Commerce, which sponsors industrial missions to and from Europe, Asia and North America. Other forms of ITC support to the Canadian furniture industry in recent years include loan insurance in excess of \$11 million to assist companies to restructure their organizations. The industry benefits also from the Program for Export Market Development (PEMD) for innovation, productivity improvement and export marketing projects.

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IMMEDIATE

Subject/Sujet

EXTENSION OF SMALL BUSINESS DEVELOPMENT BONDS

SB/03/81

OTTAWA, February 4, 1981 -- The Honourable Charles Lapointe, Minister of State for Small Business, announced today that the Federal Government will extend the Small Business Development Bond (SBDB) tax measure until December 31, 1981.

Bill C-54, covering a number of changes to the Income Tax Act, including an extension of the SBDB measure from December 31, 1980, to March 31, 1981, will be amended to reflect the significant extension. The Minister himself tabled these amendments in the House today.

Minister Lapointe stated that he was pleased that his recommendations for an extension to this important small business tax measure were accepted by his colleague, the Honourable Allan MacEachen, Minister of Finance.

Mr. Lapointe said: "As an advocate for small business in the Federal Cabinet, I am particularly pleased that Canada's vital majority in the business community will be given more time to make use of this measure -- I started advocating for a significant extension prior to the October 1980 Budget."

Mr. Lapointe also said that this timely change recognizes the major importance of small businesses to the economy and the Federal Government's commitment to the small business sector.

The Small Business Development Bond measure is a provision of the Income Tax Act under which small businesses can borrow at reduced rates of interest -- a particularly significant initiative in view of the current high levels of interest rates.

It is currently estimated that financial institutions have already committed over \$200 million in loans under the measure. The Minister will personally approach the financial institutions in an effort to make these measures as effective as possible.

The Minister said that the bonds are being extended without any changes to the other provisions contained in Bill C-54.

The bonds will continue to be available for an amount of not less than \$10,000 and up to \$500,000 to qualifying incorporated small businesses. Financing under the measure can be used for the purchase of new depreciable assets and land and for approved research and development expenditures. SBDB financing can also be used for a variety of purposes by qualifying corporations that experience severe financial difficulties, such as impending insolvencies. Qualifying assets must be purchased at any time since December 11, 1979, and must be in use before the expiry date of the bonds which will now be set at December 31, 1981.

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For release / Pour publication

IMMEDIATE

Subject / Sujet

\$200 MILLION GUARANTEE FOR MASSEY-FERGUSON REFINANCING PACKAGE

RC5/81

OTTAWA, February 6, 1981 -- The Honourable Herb Gray, federal Minister of Industry, Trade and Commerce, and the Ontario Minister of Industry and Tourism Larry Grossman, announced today that the Governments of Canada and Ontario have agreed to guarantee the capital risk of a new equity investment in Massey-Ferguson to limits of \$125 million and \$75 million respectively.

Massey-Ferguson has indicated that these government guarantees will enable them to complete their refinancing package totalling in excess of \$700 million.

In return for making it possible for Massey-Ferguson to complete its refinancing plan, the governments have a number of commitments from the company. These include a commitment that an engineering and R&D base for new North American manufacturing activities will be located in Canada. Company plans call for increased spending for engineering and R&D and include creation within three years of a new base in Canada for advanced future products.

The final drafting of the Agreement will be completed over the next two months. The agreement will be conditional upon completion of the legal agreements between the company and its lenders.

In reaching their decision the governments took into account the elements of the refinancing plan the company had already achieved, its willingness to upgrade the Canadian operations and employment, and the overall benefits to the Canadian economy of maintaining a full-line manufacturer of farm equipment.

BACKGROUNDER

- . The value of the company's production in Canada is \$500 million annually of which \$300 million is exported.
- . Massey-Ferguson plays a pivotal role in the farm machinery sector as Canada's only full line manufacturer with world-wide marketing and manufacturing operations. The prestige and international reputation that Massey-Ferguson has earned for Canada in the past as a supplier of quality built, competitively priced farm machinery has provided significant support to the export efforts of the 200 Canadian short-line manufacturers of farm equipment.
- . The concessions agreed to by lenders total \$520 million and include
 - \$280 million of interest forgiven
 - guarantee of preferreds of \$90 million and
 - a \$150 million debt conversion and share package from the Canadian Imperial Bank of Commerce.

These concessions meet one of the governments' earlier stated conditions.

- . Massey-Ferguson has taken steps to attract potential investors. These include a 41% reduction in manpower (69,000 to 41,000) from 1977 to 1980 with no decrease in Canadian employment; disposal of seven plants and a reduction in manufacturing space of 10 million square feet (30 million to 20 million); divestiture of certain foreign interests not central to the company's traditional business; reduction of inventories in the last two years of 30%; and, the reversal of the decentralized management approach.
- . The federal government assessed the opportunity presented against its stated goal to base part of Canada's economic growth on our strength in natural resources. Agriculture is just such a resource. Canada is one of the few countries that is a net exporter of food. We have a production capacity that provides us with the "economy of scale" vital to compete in world markets. The Government believes that Canada can be a successful manufacturer of the equipment required to support this resource development.

- Massey-Ferguson's Canadian operations account for 16% of its total employment and 16% of the company's production. Almost 6500 workers are employed directly at Massey-Ferguson manufacturing plants in Brantford and Toronto. Another 6,000 jobs are associated with Massey-Ferguson through its dealer network and supplier industries across Canada.
- Some 300,000 Canadian farmers currently own Massey-Ferguson equipment valued in excess of \$2 billion. It is made up primarily of 120,000 tractors and 35,000 combine-harvesters. The resale value of this equipment, it is estimated, could decline by 50% in the event of cessation of Massey-Ferguson operations.

Distribution by Province of Dealers and
Estimated Population of Equipment

	Dealer Sales 1979/80 (\$ Millions)	Number of Dealers	% Population M-F Equipment	Estimated Value* \$ Millions
British Columbia	8	14	3	60
Alberta	48	48	24	480
Saskatchewan	36	74	24	480
Manitoba	21	27	11	220
Ontario	53	94	23	460
Quebec	33	65	12	240
New Brunswick	3	10	-	-
Nova Scotia	6	10	3	60
Prince Edward Island	3	6	-	-
Newfoundland	N/A	1	-	-
Total:	<u>\$211</u>	<u>349</u>	<u>100%</u>	<u>\$2,000</u>

* Estimated value is at today's normal average value assuming Massey-Ferguson is a going concern; this value could be reduced considerably in event of M-F failure by 50 per cent.

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IMMEDIATE

Subject/Sujet

TRADE MINISTER TO VISIT INDIA AND EGYPT

T 4/81

OTTAWA, February 9, 1981 -- Trade Minister Ed Lumley will be visiting India February 9 - 14, 1981, primarily to assist Canadian companies who are at an advanced stage in their efforts to market aircraft and aircraft engines, locomotives, hydro electric generation and iron ore processing equipment and services. Potential benefits to Canada from these sales could approach \$500 million.

Mr. Lumley, accompanied by senior representatives from the companies concerned, will be meeting with several Ministers in India to support these major trade opportunities. The Mission is part of a Canadian initiative with India to further industrial co-operation, particularly in the areospace sector, and is seen as an opportunity to move from an aid-based economic relationship into commercial areas having substantial economic benefits to both countries.

On his way back from India, Minister Lumley will visit Egypt as the first step in following up on Prime Minister Trudeau's visit in December, 1980. There are several multi-million dollar trade opportunities which Canadian businesses are pursuing for the supply of aircraft, locomotives, a steel rolling mill as well as pulp and paper projects.

Minister Lumley will also discuss other trade matters and export opportunities for Canadian companies with Ministers in both these countries.

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Subject/Sujet

LE MINISTRE D'ETAT AU COMMERCE SE REND EN INDE ET EN EGYPT

T 4/81

OTTAWA, le 9 février 1981 -- Le ministre d'Etat au Commerce, l'honorable Ed Lumley, séjournera en Inde, du 9 au 14 février 1981, surtout pour aider les sociétés canadiennes qui sont sur le point d'y commercialiser des aéronefs et des moteurs d'aéronefs, des locomotives, du matériel et des services pour la production d'énergie hydroélectrique et la transformation du minerai de fer. Ces ventes pourraient représenter près de \$500 millions pour le Canada.

M. Lumley, accompagné de représentants des sociétés intéressées, rencontrera plusieurs ministres indiens afin de faciliter la réalisation de ces importantes possibilités commerciales. Cette mission fait partie d'un échange entre le Canada et l'Inde pour renforcer la coopération industrielle, particulièrement dans le secteur de l'aérospatiale; on considère que cette mission offre la chance de faire évoluer une simple relation d'aide économique vers des rapports commerciaux dans des domaines comportant des avantages économiques considérables pour les deux pays.

Sur le chemin du retour, M. Lumley s'arrêtera en Egypte pour donner suite à la visite du premier ministre, M. Trudeau, en décembre 1980. Des entreprises canadiennes y poursuivent plusieurs marchés commerciaux, représentant des millions de dollars, notamment l'approvisionnement d'aéronefs, de locomotives, et des projets de laminoir et d'usines de pâtes et papiers.

M. Lumley s'entretiendra également avec les ministres des deux pays sur d'autres questions commerciales et sur les débouchés d'exportation pour les sociétés canadiennes.

- 30 -

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IMMEDIATE

Subject/Sujet

CANADA SIGNS AID AGREEMENTS WITH INDIA

T 5/81

OTTAWA, February 18, 1981 -- The Hon. Ed Lumley, Minister of State for Trade, has announced that during his trade mission to India, February 9-12, two agreements worth \$89 million were signed between Canada and India to provide assistance for hydro-electric power and agricultural projects in India. In addition, substantial progress was made in the negotiation of five projects with a potential benefit to Canada of \$500 million in the aerospace, power, mineral processing, and transportation sectors.

The first agreement signed provides for Canadian assistance of \$59 million for the import of Canadian generating equipment, spares and consultancy services for Phase II of the Idukki hydro-electric project in Kerala State. Canada had provided similar services and equipment for Phase I.

Mr. Lumley pointed out that "Canada's world wide reputation in the design, operation and supply of equipment for major hydro-electric developments is acknowledged in India and should lead to further co-operation for India's long-term development of its hydro-electric resources."

Canadian assistance to India in the agricultural sector will provide \$30 million to their National Agricultural Refinance and Development Corporation for financing some of its activities such as irrigation, development of agro-service centres, animal husbandry, forestry programs, fisheries projects and the development of market yards.

Mr. Lumley said India will examine in detail the Canadian offer for the sale and transfer of technology of a family of aircraft and engines based on the de Havilland STOL technology and the Pratt & Whitney Canada gas turbine engines.

During discussions on further co-operation in the steel and mines sector, Indian officials expressed their satisfaction over the role of Met-Chem Canada in the successful construction of the \$630

.../2

million Kudremukh iron ore project which was completed on time and at a saving of about \$90 million. The possibilities for the involvement of Met-Chem Canada in the Mangalore iron ore pelletizing plant and the Paradeep Steel Complex were discussed.

Against the background of Canada's substantial long-term involvement as a supplier of locomotives to India, the offer of Bombardier locomotives to the Steel Authority of India was discussed and further negotiations are proceeding.

Several new areas of opportunity for Canada were also looked at, particularly in the mining and power sectors. The possibility of a Canadian-Indian air agreement was raised.

At the conclusion of the mission, Mr. Lumley said both sides were satisfied over the content of the discussions and believed the visit had laid the groundwork for a substantially enhanced Indo-Canadian economic relationship involving industrial co-operation, transfer of technology, financing and a sharing of expertise to the economic benefit of both countries.

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IMMEDIATE

Subject/Sujet

CONFERENCE TO INCREASE EXPORTS

T 6/81

OTTAWA, February 23, 1981 -- The Honourable Ed Lumley, Minister of State for Trade, has called a conference of senior executives of the Canadian manufacturing and consulting engineering sectors to discuss the potential for exports of Canadian manufactured goods arising from overseas contracts obtained by Canadian consulting engineers.

The conference will be held in Ottawa on Wednesday, February 25.

Mr. Lumley said that for some time he had been impressed with the possibilities for improving exports of manufactured products through the co-operation of the consulting engineering sector, particularly in such fields as power generation, mining, forestry, transportation and telecommunications.

He was optimistic that exports of competitive Canadian-produced equipment, machinery and other commodities and services could benefit from the improved channels of communications between consultants and manufacturers.

The conference has been organized by the Department of Industry, Trade and Commerce in co-operation with the Association of Consulting Engineers of Canada and the Canadian Export Association.

- 30 -

FOR FURTHER INFORMATION, CONTACT:

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news release communiqué



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Contact / Liaison

JOHN DAWSON

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For release / Pour publication

IMMÉDIATE

Subject / Sujet

CONFERENCE POUR AUGMENTER LES EXPORTATIONS

T 6/81

OTTAWA, le 23 février 1981 -- L'honorable Ed Lumley, ministre d'État au Commerce, a convoqué une conférence des cadres supérieurs des entreprises manufacturières canadiennes et des bureaux d'ingénieurs-conseils, dans le but de discuter avec eux des possibilités d'exportation des produits canadiens résultant de contrats obtenus à l'étranger par des ingénieurs-conseils canadiens.

La conférence aura lieu à Ottawa, le mercredi 25 février.

M. Lumley a déclaré être depuis assez longtemps frappé par les nombreux débouchés qui pourraient s'ouvrir pour nos produits manufacturés si on obtenait la collaboration des ingénieurs-conseils, surtout dans les domaines de la production d'électricité, de l'exploitation minière, de la foresterie, des transports et des télécommunications.

Il a bon espoir que les exportations d'équipements de machines ainsi que d'autres produits et services concurrentiels fabriqués au Canada augmenteront à cause de cette amélioration des voies de communications entre les ingénieurs-conseils et les manufacturiers.

La conférence a été mise sur pied par le ministère de l'Industrie et du Commerce, en collaboration avec l'Association des ingénieurs-conseils du Canada et l'Association canadienne d'exportation.

- 30 -

POUR PLUS DE RENSEIGNEMENTS, S'ADRESSER À:

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For release/Pour publication

IMMEDIATE

Subject/Sujet

TORONTO FIRM GETS \$6.9 MILLION ELECTRONICS GRANTS

[T&C 7/81 OTTAWA, February 24, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that Sentrol Systems Limited of Toronto has been awarded a grant of \$6,910,537 from the Special Electronics Fund of the Enterprise Development Program administered by his department.

The grant will be used to support research and development in areas of microprocessor-based distributed intelligence process control systems and advanced process sensors.

Total cost of the project is estimated at \$10 million.

Sentrol Systems, a wholly-owned Canadian company, was incorporated in 1975 and is now the third largest supplier in the world of equipment for automation of paper-making machines. It is also a major supplier of industrial process control systems to the petrochemical, gas and oil, electric power and metals industries.

Present employment stands at about 500. The company estimates the total additional employment to be generated by the implementation of the project will be approximately 300.

The company employs more than 80 in research and development and spends the equivalent of 7 per cent of annual sales on research.

- 30 -

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IMMEDIATE

Subject/Sujet \$6.9 MILLIONS EN SUBVENTION POUR LA RECHERCHE ET LE
DÉVELOPPEMENT À UNE SOCIÉTÉ CANADIENNE

IT&C 7/81

OTTAWA, le 24 février 1981 -- L'honorable Herb Gray, ministre de l'Industrie et du Commerce, a annoncé aujourd'hui que le gouvernement a accordé à la Sentrol Systems Limited de Toronto la somme de \$6 910 537 puisée au Fonds spécial de l'électronique du Programme d'expansion des entreprises.

Cette subvention servira à financer la recherche et le développement dans les domaines des systèmes de gestion d'un processus de traitement réparti et des capteurs de pointe associés aux procédés faisant appel à des microprocesseurs.

Le coût total du projet est estimé à \$10 millions.

La Sentrol Systems, société canadienne à part entière, a été constituée en société en 1975; elle est maintenant le troisième plus important fournisseur au monde d'équipement d'automatisation des machines de fabrication de papier. Elle est également un important fournisseur de systèmes industriels de gestion de processus de traitement pour les entreprises de pétrole et du gaz, les centrales électriques et les industries de transformation des métaux.

Elle emploie actuellement quelque 500 personnes. Selon la société, la mise en oeuvre de ce projet entraînera la création d'environ 300 nouveaux emplois.

La Sentrol Systems emploie plus de 80 personnes dans le secteur de la recherche et du développement et consacre 7% de son chiffre d'affaires annuel à la recherche.

- 30 -

POUR PLUS DE RENSEIGNEMENTS, S'ADRESSER À:

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W.S.D HENDRY

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For release/Pour publication

IMMEDIATE

Subject/Sujet

**OVER \$400 MILLION IN LOANS
UNDER THE SMALL BUSINESSES LOANS ACT IN 1980**

SB 4/81

OTTAWA, February 24, 1981 -- The Hon. Charles Lapointe, Minister of State for Small Business, announced today that the preliminary figures for 1980 indicate that under the Small Businesses Loans Act over \$400 million in loans were made during the year to small businesses in Canada. The number of loans exceeded 16,200. During 1979, 10,778 loans were made totaling \$267 million.

Under the legislation, a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million per year may obtain loans from chartered banks and other designated lenders. The loans are to be used to purchase fixed or moveable equipment, purchase or build new premises, modernize existing facilities, or purchase land for the operation of a business, including the purchase of buildings.

Loans must be secured and may be repayable over a period of up to 10 years. The maximum of all loans that may be outstanding to any one borrower at any one time is \$100,000. The maximum interest charged on these loans is bank prime plus 1%. The rate fluctuates with the bank's prime for the term of the loan.

The Small Businesses Loans Act came into effect in January 1961. Since then, to the end of December 1980, more than 82,000 loans have been made totaling over \$1,443 billion.

- 30 -

FOR FURTHER INFORMATION CONTACT:

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Tel: (613) 995-0497

LOANS MADE UNDER THE SMALL BUSINESSES LOANS ACT
YEAR JANUARY 1 TO DECEMBER 31, 1980

Province		1980	% Change	1979
British Columbia	#	4,210	+ 51.2	2,784
	\$	106,270,274	+ 47.1	72,242,508
Alberta	#	1,699	+ 55.3	1,094
	\$	40,574,105	+ 63.2	24,854,815
Saskatchewan	#	1,012	+ 37.1	738
	\$	25,274,874	+ 38.6	18,232,124
Manitoba	#	516	+ 8.0	478
	\$	14,531,450	+ 21.4	11,971,299
Ontario	#	2,951	+ 128.1	1,294
	\$	75,221,496	+ 120.6	34,095,925
Quebec	#	5,052	+ 37.3	3,679
	\$	119,602,514	+ 35.9	87,997,085
New Brunswick	#	337	+ 4.7	322
	\$	8,225,495	+ 1.6	8,096,814
Nova Scotia	#	214	+ 24.4	172
	\$	5,862,729	+ 38.7	4,225,811
Prince Edward Island	#	76	+ 5.6	72
	\$	1,735,224	+ 25.1	1,386,682
Newfoundland	#	134	+ 35.4	99
	\$	3,859,736	+ 47.0	2,625,400
Northwest Territories	#	15	+ 66.7	9
	\$	432,936	+ 82.3	237,525
Yukon	#	34	- 8.1	37
	\$	1,035,520	- 19.1	1,280,090
Totals	#	16,250	+ 50.7	10,778
	\$	402,626,353	+ 50.6	267,246,078

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J.L. MacNeill (613) 996-5533

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IMMEDIATE

Subject / Sujet

CANADA-MEXICO MULTI-MILLION DOLLAR TRADE ANNOUNCEMENT

T 7/81 OTTAWA, February 26, 1981 -- Canadian Trade Minister Ed Lumley and Mexican Secretary of Commerce, Jorge de la Vega Dominguez, made two announcements today involving several hundred million dollars of trade in agricultural products, mainly foodstuffs, and in manufactured equipment between the two countries.

The first announcement was the signing of an Arrangement by Mr. Lumley, Mr. de la Vega, Agriculture Minister Eugene Whelan, and Mr. Enrique Ballesteros, Director General of CONASUPO, the basic food commodity agency of Mexico. The Ministers noted that the Canadian Wheat Board negotiated last week an agreement to supply Mexico with 100,000 tons of winter wheat in 1981 and 1982, with an option for a further 300,000 tons of 3CW wheat during the same period.

The Arrangement provides for the supply and purchase of agricultural commodities during the next two years and is valued at more than \$100 million.

This supply arrangement is of major importance to both countries and recognizes the Mexican Government's wish to diversify its sources of supply of food products to supplement domestic production. Canada will become Mexico's second largest source of foodstuffs, and of particular interest to the Mexican Government is the guarantee of supply under the terms of the Arrangement.

Mr. Lumley said, "During my visit to Mexico last June I confirmed to Secretary de la Vega the willingness of Canada to meet Mexico's short and medium term requirements for foodstuffs as well as to assist the Mexican Government programs aimed at ensuring long-term self-sufficiency in food production."

The second announcement was the commitment by the Mexico City Metro for the purchase of 20 subway trains of nine cars each from Bombardier Inc. This \$100 million transaction is one of the largest manufacturing contracts even obtained by Canadian industry in foreign markets.

Mr. Lumley and Mr. de la Vega paid tribute to their respective leaders, Prime Minister Trudeau and President Lopez Portillo, for initiating the rapidly developing bilateral relationship between Canada and Mexico. The visitors stated that the announcements were demonstrative evidence of this commitment by the two governments. At the Joint Ministerial Meeting held in Mexico City this January, both ministers emphasized their desire to expedite negotiations that began nine months ago during the Canadian trade missions to Mexico, and today they expressed their satisfaction with the positive conclusions that had been arrived at.

In May of 1980, following President Lopez Portillo's meeting with Prime Minister Trudeau, an Energy and Industrial Co-operation Agreement was signed by the two governments. Two weeks later Mr. Lumley led a mission of government officials and senior Canadian businessmen to Mexico in an effort to further identify areas of economic co-operation. During this visit Mr. Lumley and senior Mexican ministers including Secretary de la Vega, Lic. José Andras Oteyza, Secretary of Natural Resources and Industrial Development, and the Mayor of Mexico City, Dr. Hank Gonzalez, began discussions which led to the successful conclusion of negotiations between Bombardier and the Mexico City urban transit authority.

"This is the second step in what we see as long-term co-operation between our two countries in the urban transportation field", Mr. Lumley said. Earlier this year, the engineering arm of the Montreal Metro signed a technical assistance contract with the Mexico City Metro. Both subway systems use rubber-tired technology.

"I see great opportunities for Canadian companies to co-operate with Mexican firms in meeting the challenges of urban transportation in many Mexican cities," Mr. Lumley added.

"This is the first large order for complete urban transit vehicles won by any Canadian or U.S. company in foreign markets. This one contract will result in the creation of approximately 1,000 person-years of work," he said.

This visit is the fourth exchange between Canadian and Mexican ministers since President Lopez Portillo came to Canada in May.

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IMMEDIATE

JEAN B. CHRETIEN (613) 995-1333

Subject/Sujet

FIRST MEETING OF THE CANADA-ALGERIA INTERGOVERNMENTAL
COMMISSION IN OTTAWA

SB 5/81

OTTAWA, February 27, 1981 -- The Hon. Charles Lapointe, Minister of State (Small Businesses and Tourism) will co-chair the first meeting of the Canada-Algeria Intergovernmental Commission with His Excellency Mr. Abdelaziz Khellef, the Algerian Minister of Trade. Mr. Khellef is also a member of the central committee of the National Liberation Front Party of the Democratic and Popular Republic of Algeria. He will head a major Algerian delegation to Ottawa on March 2-4, 1981.

This meeting will enable both countries to discuss the evolution of their bilateral relations and to establish clear objectives for economic and trade cooperation in the coming years. The new plan calls for approximately \$125 billion in investments.

Algeria is Canada's major trade partner in Africa, our exports to that country having reached \$370 million in 1980. Mr. Lapointe stated that in light of these activities and considering the opportunities which the new development plan is likely to provide for Canadian firms, exports to Algeria should increase significantly in the next few months.

Over the past few years several Canadian companies were awarded contracts in Algeria totalling more than a billion dollars. Moreover, negotiations are currently under way concerning several other projects whose total worth is well over two billion dollars.

In addition to the talks planned with Mr. Lapointe, the official host of the meeting, the Algerian Minister of Trade will meet with several other federal government ministers during his stay in Ottawa.

Trade Minister Khellef will be in Montreal on March 5 to meet with representatives of various Canadian companies.

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For release/Pour publication

IMMÉDIATEMENT

Subject/Sujet PREMIÈRE RÉUNION DE LA COMMISSION INTERGOUVERNEMENTALE
CANADO-ALGÉRIENNE A OTTAWA

SB 5/81

Ottawa, le 27 février 1981. L'honorable Charles Lapointe, ministre d'État (petites entreprises et tourisme) co-présidera la première réunion de la Commission intergouvernementale canado-algérienne avec son Excellence, monsieur Abdelaziz Khellef, Ministre algérien du Commerce et membre du comité central du parti du Front de libération nationale de la République algérienne démocratique et populaire. Le Ministre Khellef séjournera à Ottawa du 2 au 4 mars prochain à la tête d'une importante délégation algérienne.

La réunion de cette Commission permettra de faire le point sur l'évolution de nos relations bilatérales et de préciser les objectifs de notre coopération économique et commerciale au cours des prochaines années. Ce nouveau plan prévoit des investissements de l'ordre de 125 milliards de dollars.

L'Algérie est le plus important partenaire commercial du Canada en Afrique: nos exportations à destination de ce pays ont atteint \$370 millions en 1980. "Considérant toutes ces activités et les possibilités que le nouveau plan de développement est susceptible d'offrir aux firmes canadiennes, nos exportations vers l'Algérie devraient connaître une augmentation notable au cours des prochains mois" a déclaré le Ministre Lapointe.

Plusieurs sociétés canadiennes ont obtenu des contrats en Algérie au cours des dernières années pour un montant total de plus d'un milliard de dollars. De plus, à l'heure actuelle, bon nombre de projets font l'objet de négociations et de pourparlers; ceux-ci représentent une valeur dépassant largement les deux milliards de dollars.

Outre les entretiens prévus avec le Ministre Charles Lapointe, hôte officiel de cette réunion, le Ministre algérien du Commerce rencontrera plusieurs ministres canadiens au cours de son séjour à Ottawa.

Le Ministre Khellef se rendra à Montréal dans la journée du 5 mars pour y effectuer des visites industrielles.

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For release / Pour publication

IMMEDIATE

Subject / Sujet

CANADIAN INDUSTRIAL DESIGN AWARDS

SB 6/81

OTTAWA, March 2, 1981 -- The Hon. Charles Lapointe, Minister of State for Small Businesses and Tourism, announced today that two Ontario companies share top honours in the 1981 Design Canada Awards to Canadian companies demonstrating overall excellence in design management.

A total of 16 industrial design awards will be presented at a banquet in the Sheraton Centre, Toronto, on Thursday, March 5, 1981.

Design Canada Awards are made annually to Canadian organizations and individuals whose innovative policies or products help to strengthen Canada's place in domestic and international markets. The selection of candidates for industrial design recognition is undertaken by a panel of jurors drawn from the National Design Council and representatives of the Canadian design profession.

The National Design Council Chairman's Award of Excellence for Design Management goes to Husky Injection Molding Systems Ltd., Bolton, Ontario, and to Noma Industries Ltd., Scarborough, Ontario. Both companies were successful in raising design standards throughout their respective organizations. New or improved products are obvious hallmarks, but Design Canada jurors also take into consideration such diverse areas as plant and office environment, transportation systems, showrooms, packaging, stationary, advertising and corporate literature.

The 300 employees of Husky Injection Molding Systems Ltd., are engaged in the design and manufacture of automated plastic injection molding systems. Annual sales exceed \$35 million, with 90% of the production sold in 26 export markets. Customers include Sony, Kodak, IBM, 3M and RCA.

Noma Industries Ltd., has six Canadian plants which manufacture electrical and mechanical products ranging from electrical wire and cable to gasoline-engine lawnmowers and snowblowers. Noma Displays Ltd., is the country's largest supplier of artificial Christmas trees. Export sales of Noma companies account for more than \$3 million of an annual turnover in excess of \$80 million.

Four major awards for excellence in product design have been won by manufacturers of a self-storing cord caddy (Noma Industries, Scarborough), a bilevel commuter rail coach, (Hawker Siddeley, Toronto), a hand-held radar unit (Tribar Industries, Weston), which measures road vehicle speeds and a classical guitar (Sibecor Limitée, Saint-Léonard) made from Canadian wood.

Via Rail qualified for a special design award by introducing an innovative program that makes rail travel less of an ordeal for disabled passengers.

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Bennett Solway
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DESIGN CANADA AWARDS

1981 Chairman's Awards for Design Management:

AWARD OF EXCELLENCE: Husky Injection Molding Systems Ltd.,
Bolton, Ontario

Noma Industries Ltd., Scarborough, Ontario

AWARD OF MERIT: Sunar, Waterloo, Ontario

The Steel Company of Canada Ltd., Hamilton,
Ontario

AWARD FOR EXCELLENCE IN PRODUCT DESIGN:

Noma Industries Ltd., Scarborough, Ont. for
the Self Storing Cord Caddy

Tribar Industries Ltd., Weston, Ontario for
the Muni Quip t3 Hand Held Radar System

Hawker Siddeley Canada Ltd., Toronto, Ontario
for the Bilevel Rail Commuter Coach

Sibecor Limitée, Saint-Léonard, Québec for
the Kamouraska Etude Classical Guitar

SPECIAL AWARD (FASHION):

Cooper Canada Ltd.

SPECIAL AWARD RECOGNIZING THE INTERNATIONAL YEAR OF DISABLED PERSONS:

Via Rail Canada, Montréal, Québec

PROFESSIONAL CITATIONS:

Lawrie McIntosh, Association of Canadian
Industrial Designers, Toronto

Joan Harland, Interior Designers of Canada
Winnipeg

Vasco Ceccon, Graphic Designers of Canada,
Société des graphistes du
Québec Inc.

SPECIAL AWARDS:

Performance Sailcraft Inc., Pointe-Claire,
Québec

Bell Canada, Montréal, Québec

Eaton's Centre, Toronto, Ont.

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For release/Pour publication

D.A. DODD

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3:00 P.M.

Subject/Sujet

FEDERAL GOVERNMENT EXTENDS SUPPORT FOR THE PURCHASE OF
WHITE MOTOR CANADA BY CANADIANS

ITC 8/81

OTTAWA, March 2, 1981 -- Federal Minister of Industry, Trade and Commerce, Herb Gray, today announced that the Enterprise Development Board of his department is ready to insure \$10.5 million of loans in support of a Canadian investment group's offer to purchase the assets of the White Farm Equipment Division of White Motor Corporation of Canada Ltd. At the same time, Ontario Industry and Tourism Minister, Larry Grossman, announced that his government is offering a \$2 million loan and \$3 million loan guarantee, for a total assistance package from both governments of \$15.5 million.

White Farm Equipment Division has been in interim receivership since September 9, 1980 when the parent company, White Motor Corporation of Eastlake, Ohio filed for bankruptcy in the United States. Located in Brantford, Ontario, White Farm Equipment Division consists of a combine harvester manufacturing facility, a research and development centre as well as a warehouse.

"This package of financial assistance has made possible a purchase offer by Canadian investors which, if successful, will result in the immediate startup and rapid resumption of full operations of the farm implements enterprise in Brantford", Mr. Gray said.

The Canadian investment group making the offer to purchase the White Farm Equipment Division consists of Linamar Machine Ltd., Shieldings Investments Ltd., both of Ontario, and a management group from White Farm Equipment.

The Minister noted that this offer complements another purchase offer from a Canadian group for the truck assets of White Motor Canada. The truck division, located in Kelowna, British

Columbia, manufactures Western Star trucks and is the subject of an offer from Bow Valley Resource Services Ltd. and Nova, an Alberta Corporation.

Acceptance of both purchase offers by the White Corporation requires a decision by the U.S. courts supervising the parent company's bankruptcy application, since a condition of the offers is that they are concurred in by the US. courts. A decision is expected in early March. The interim trustee appointed by the Canadian courts under Canada's Bankruptcy Act, acting on the advice of the Canadian creditors' committee, must also approve the purchase offers.

"I am hopeful that the uncertainties currently surrounding the future of these two companies will soon be resolved in a manner which serves the best interests of the Canadian workers and dealers who have been associated with White Motor", Mr. Gray said.

The Minister also noted that the purchase of either of White's Canadian enterprises by foreign interests would be subject to review by the Foreign Investment Review Agency, and, in accordance with the provisions of the FIR Act, the fact that there are alternative Canadian purchasers would be given serious weight by the Government in its decision to allow or disallow the foreign investment.

FOR MORE INFORMATION CONTACT:

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news release communiqué



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For release / Pour publication

IMMEDIATE

Subject / Sujet

CANADIANS EVALUATE SMELTER POLLUTION CONTROL TECHNOLOGY

IT&C 9/81

OTTAWA, March 5, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that a delegation of 15 Canadian industrialists and government officials will visit Japan March 9 - 20 to investigate areas where technology exchanges between the two countries can be made in the smelting and refining processes of sulphide ores, with particular emphasis on pollution abatement, industrial hygiene and energy conservation.

The mission is being sponsored by the Department of Industry, Trade and Commerce in co-operation with the Japanese Ministry of International Trade and Industry and the Japanese Mining Industry Association to promote industrial co-operation between Canadian and Japanese industry.

Canada has made notable progress in developing new technologies in resource processing; Japan, however, is considered the leader in the commercial application of the highest environmental standards.

During the mission, the Canadians will visit non-ferrous smelting and refining installations and participate in discussions with Japanese government agencies and private industry.

Attached is a list of delegates.

- 30 -

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NON-FERROUS METALS MISSION TO JAPAN

Frank Frantisak
Noranda Mines Limited
Toronto, Ont.

J.F. Jackson
Falconbridge Nickel Mines
Limited
Toronto, Ont.

Dr. M.C. Bell
Inco Limited
J. Roy Gordon Research
Laboratory
Mississauga, Ont.

Allan C. Oliver
Sherritt Gordon Mines Limited
Fort Saskatchewan, Alta.

Wolf P. Nickel
Afton Mines Ltd. (Teck Corporation)
Kamloops, B.C.

J.A. Butterfield
Placer Development Limited
Vancouver, B.C.

W. Wayne Fraser
Hudson Bay Mining and Smelting
Co., Ltd.
Flin Flon, Man.

P. Fowler
Noranda Mines Horne Division
Noranda, Québec

George E. Norman
Falconbridge Nickel Mines Limited
Falconbridge, Ont.

W.J.S. Craigen
Department of Energy, Mines and
Resources
Ottawa, Ont.

Charles R. Jose
Department of Environment
Ottawa, Ont.

A. Chipertzak
Department of Industry, Trade and
Commerce
Ottawa, Ont.

S.S. Petrash
Department of Industry, Trade and
Commerce
Ottawa, Ont.

Des M. Peplinski
Department of Industry, Trade and
Commerce
Ottawa, Ont.

Robert J. Keyes
The Mines Association of Canada
Ottawa, Ont.

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CAM ROBERTSON

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For release/Pour publication

12:00 NOON

Subject/Sujet

ANTI-DUMPING TRIBUNAL'S FINDINGS ON NON-RUBBER FOOTWEAR

IT&C 10/81

OTTAWA, March 6, 1981 -- Industry, Trade and Commerce Minister Herb Gray and the Minister of State (Finance), Pierre Bussières, today tabled in the House of Commons the report of the Anti-Dumping Tribunal on whether imports of non-rubber footwear would continue to cause or threaten serious injury to Canadian footwear production in the absence of special measures of protection.

The Tribunal has concluded that:

- (a) Given the normal protective framework of valuation procedures, tariffs, freight and other cost items, as well as the accepted rules of fair trade, the domestic non-rubber footwear industry can now meet the competition offered by imports from developed countries, whether free market or state-trading, and
- (b) In the absence of special measures of protection, non-rubber footwear would in all likelihood be imported from low-wage countries in such quantities as to cause serious injury to the domestic industry. The Tribunal has determined that, in the absence of special protection, imports from low-wage countries would increase rapidly and significantly but that virtually all of the increase would come from Taiwan, South Korea, Hong Kong, Brazil and India.

Interested parties are invited to make their views known to the Ministers, who said that the Government will be reviewing the Tribunal's findings against the background of the needs of the footwear industry and Canada's relations with its trading partners and announce its decision as soon as possible.

The Ministers stressed that until the Government is in a position to announce its policy vis-à-vis the footwear industry, all provisions of the current import quota régime remain in place.

Copies of the report are available for \$10 from:

Canadian Government Publishing Centre
Supply and Services Canada
Hull, Quebec
K1A 0S9

or from the authorized bookstore agents.

FOR FURTHER INFORMATION AND COPIES OF THE REPORT, CONTACT:

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news release communiqué



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For release/Pour publication

11:00 a.m.

Subject/Sujet

ITC TO SURVEY WORLD THERMAL COAL DEMAND

IT&C 11/81

SYDNEY, NOVA SCOTIA, March 9, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that his department is undertaking a survey of world demand for thermal coal. The survey will help define world import requirements over the next decade.

Mr. Gray said the demand for this type of coal, used primarily for generating electricity, is increasing rapidly because of rising oil and gas prices. Canada now exports about one million tons a year of thermal coal from Vancouver to markets in Europe and the Far East.

The survey is being conducted in co-operation with the provincial governments of Nova Scotia, Alberta and British Columbia, and the federal departments of Energy, Mines and Resources and Regional Economic Expansion. Three teams, each of two officials, one federal and one provincial, will visit Europe, Latin America and the Far East, one team in each area.

The survey will be completed by the end of March and results will be available as soon as possible thereafter. It will provide both federal and provincial governments with a first-hand independent source of market intelligence on which to base policies. It will also provide market information for Canadian coal mining and other companies.

Canada has known resources of over 100 billion tons of coal taking into account all types of coal. World production is roughly four billion tons a year, and it is estimated that world exports account for about 200 million tons a year, again of all types of coal.

Mr. Gray pointed out that Nova Scotia coal has a high thermal value that, in these days of energy conservation, commands a premium price.

He also said that European demand is increasing and that Nova Scotia is geographically well situated to supply that market. Devco's export capability will be boosted by the recently announced \$108.9 million infusion of capital from the federal government to develop the Prince mine and to continue evaluation of the Donkin mine.

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For release/Pour publication

JOHN DAWSON

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IMMEDIATE

Subject/Sujet

CONSULTATIVE COMMITTEE ON THE CANADIAN CONSULTING ENGINEERING INDUSTRY

IT&C 15/81

OTTAWA, March 17, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, today announced the establishment of a Consultative Committee on the Canadian Consulting Engineering Industry.

The purpose of this committee is to review the current status of the industry, assess its potential in terms of the contribution it can make to Canada's economy, and the constraints it might face in realizing this potential. The committee, comprised of 15 senior executives from consulting engineering firms across Canada, is expected to make recommendations in the fall which could be implemented by the industry, its associations and the government toward maximizing the industry's performance.

Mr. Gray said he is particularly pleased that Mr. S.J. Cunliffe, a past President of the Association of Consulting Engineers of Canada, has agreed to act as chairman. Officials from provincial governments will join in meetings.

Mr. Gray noted the importance of this service industry sector and its reputation in export markets. He said that there already exists a close rapport between the industry and the Department of Industry, Trade and Commerce, particularly through the Association of Consulting Engineers of Canada.

The secretariat to the committee will be provided by the Department of Industry, Trade and Commerce.

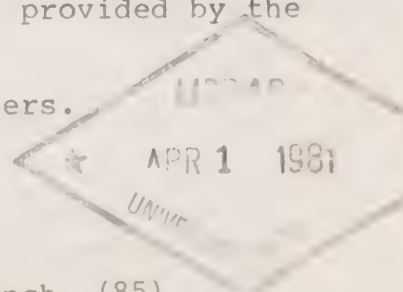
Attached is a list of the committee members.

- 30 -

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For release/Pour publication

IMMEDIATE

Subject: Sujet

LITTON SYSTEMS CANADA LIMITED AWARDED \$60 MILLION
CONTRACT FOR INERTIAL NAVIGATION SYSTEMS

T 7/81

OTTAWA, March 18, 1981 -- The Honourable Edward C. Lumley, Minister of State for Trade announced that the Canadian Commercial Corporation had awarded a contract for about \$60 million to Litton Systems Canada Ltd., Rexdale, Ontario. The fixed price contract is on behalf of the U.S. Department of Defence and covers the production and delivery of LN35 Inertial Navigation Systems. Major Canadian subcontractors to Litton under this contract are Surcast Inc., Montreal, P.Q., Canadian Marconi Company, Montreal, P.Q., Grafico Limited, Toronto, Ont., ITT Company, Whitby, Ont., Treco Machine and Tool Limited, Scarborough, Ont. and R.D.C. Electronics Inc., Montreal, P.Q.

The contract award was preceded by a two year period during which Litton Canada successfully delivered prototype and preproduction systems for customer evaluation and flight testing.

Litton Canada is a major producer of high technology systems for aviation and naval applications. The Company's annual sales are in excess of \$100 million, of which 85% are exported throughout the world. The contract is adding 1500 skilled personnel to Litton and over 300 to its subcontractors.

Canadian Commercial Corporation, a Federal Crown Agency, acts as a prime contractor and on behalf of Canadian suppliers in dealing with foreign governments and international agencies. The Corporation has an annual sales volume in excess of \$350 million representing exports produced by more than 500 Canadian companies and sold to over 50 foreign countries and international agencies.

- 30 -

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APR 1 1981

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For release/Pour publication
IMMEDIATE

Subject/Sujet LITTON SYSTEMS CANADA LIMITED DECROCHE UN CONTRAT DE
\$60 MILLIONS POUR DES SYSTEMES DE NAVIGATION PAR INERTIE

T 7/81

OTTAWA, le 18 mars 1981 -- Le ministre d'Etat au Commerce, l'honorable Edward C. Lumley, a annoncé que la Corporation commerciale canadienne a accordé un contrat d'environ \$60 millions à la Litton Systems Canada Limited, de Rexdale (Ontario). Il s'agit d'un contrat d'un contrat d'un prix fixe pour le compte du Secrétariat de la défense des Etats-Unis portant sur la production et la livraison de systèmes de navigation par inertie LN35. Les principaux sous-traitants canadiens de la Litton, à ce titre, sont la Surcast Inc. de Montréal (Québec), la Frafico Limited, de Toronto (Ontario), la ITT Company, de Whitby (Ontario), la Treco Machine and Tool Limited, de Scarborough (Ontario) et la R.D.C. Electronics Inc. de Montréal (Québec).

Durant les deux années qui ont précédé l'adjudication du contrat la Litton Canada a livré avec succès des prototypes et systèmes de préproduction servant à des évaluations et à des essais en cours de vol pour son client.

La Litton Canada est un grand producteur de systèmes d'aviation appliquant des technologies de pointe. Les ventes annuelles de la compagnie dépassent \$100 millions dont 85% représente des exportations dans le monde entier. Le contrat a permis à la Litton d'embaucher 1500 nouveaux employés qualifiés et à ses sous-traitants d'en embaucher 300.

La Corporation commerciale canadienne, une société d'Etat fédérale, agit comme premier entrepreneur et pour le compte de fournisseurs canadiens dans les transactions avec les gouvernements étrangers et des organismes internationaux. La Corporation enregistre des ventes annuelles de plus de \$350 millions provenant d'exportations effectuées par plus de 500 compagnies canadiennes vers plus de 50 pays étrangers et organismes internationaux.

- 30 -

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IMMEDIATE

Subject/Sujet

10,000 GENERAL MOTORS CARS SOLD TO IRAQ

T 8/81

OTTAWA, March 18, 1981 -- The Minister of State for Trade, the Honourable Edward C. Lumley, announced today, in conjunction with General Motors Market Development of Canada Limited, the sale of 10,000, 1981 Malibu passenger cars to Iraq at a value of \$90 million. This represents one of the largest single export sales of passenger vehicles in recent years from Canada.

The contract also includes service parts and technical support.

The vehicles will be assembled in the Oshawa plant of General Motors of Canada and will provide continuing employment in the plant for the present model year.

The Minister congratulated General Motors Market Development Group for its initiative and effort spent in developing this order and further demonstrating the ability of Canadian companies to export their products into the Middle East and other areas of the world with the assistance of the Government of Canada.

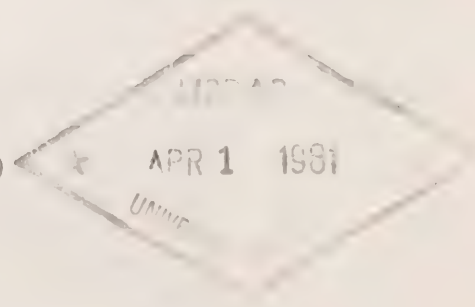
"This is an excellent example of the positive results that can be achieved in the very competitive international market when the private and public sectors work in a co-operative manner," he said.

This is the second announcement of a major export sale of Canadian manufactured products in recent weeks, the first being the Bombardier success in the Mexico City subway system.

- 30 -

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IMMEDIATE

Subject/Sujet

L'IRAQ ACHETE 10 000 VOITURES A GENERAL MOTORS

T 8/81

OTTAWA, le 18 mars 1981 -- Le ministre d'Etat au Commerce, l'Honorable Edward C. Lumley, a annoncé aujourd'hui, conjointement avec la General Motors du Canada Ltée, la vente de 10 000 voitures particulières modèle Malibu 1981, à l'Iraq, pour une somme de \$90 millions. Il s'agit de l'une des plus importantes ventes à l'exportation de voitures particulières de fabrication canadienne au cours des dernières années. Le contrat porte également sur la fourniture de pièces de rechange et une aide technique.

Les véhicules seront montés dans l'usine d'Oshawa de la General Motors du Canada, et permettront de maintenir l'emploi dans cette usine pour le reste de la présente année de fabrication.

Le Ministre a félicité le groupe de l'expansion des marchés de General Motors pour son initiative et les efforts qu'il a faits pour remporter cette commande, qui prouvent une fois de plus que les entreprises canadiennes peuvent exporter leurs produits dans les pays du Moyen-Orient et dans les autres parties du monde, avec l'aide du gouvernement canadien.

Le ministre a déclaré qu'il s'agit là d'un excellent exemple des résultats que permettent d'atteindre sur les marchés mondiaux très concurrentiels les initiatives de collaboration entre le secteur privé et le secteur public.

Il s'agit de la seconde annonce d'une importante exportation de produits finis canadiens au cours des dernières semaines, l'autre étant la commande que le métro de Mexico a accordée à Bombardier.

- 30 -

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For release/Pour publication
IMMEDIATE

Subject/Sujet

CHINA PULP AND PAPER INDUSTRY DELEGATION TO CANADA

T 9/81

OTTAWA, March 25, 1981 -- The Hon. Edward C. Lumley, Minister of State for Trade today announced that representatives of the Ministry of Light Industry and the China International Trust and Investment Corporation of the People's Republic of China will be in Canada from March 26 to April 16, 1981. The mission is being sponsored by Industry, Trade and Commerce as a result of Minister Lumley's invitation to Chinese officials while in China last September and to the Vice Premier of China Bo Yibo during his visit to Canada in August 1980.

China's requirements for all types of pulp has increased substantially over the past decade with much of the material originating in Canada. Total pulp and paper trade with China in 1980 was over \$90 million including 165,000 metric tons of pulp. With increasing industrialization China will need even greater amounts of papermaking pulp and is seeking a long term secure source of supply through a joint venture with a Canadian producer.

The Chinese mission, headed by Mr. Hu Zong Yuon, Deputy Director Paper Industry Bureau, Ministry of Light Industry, is made up of senior technical and investment specialists.

The department of ITC has arranged visits to companies in Quebec, New Brunswick and British Columbia to review current technical advances in pulp production, inspect mill sites and discuss various forms of investment arrangements.

- 30 -

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Subject/Sujet

VISITE AU CANADA D'UNE DELEGATION
DE L'INDUSTRIE CHINOISE DES PATES ET PAPIERS

T 9/81

OTTAWA, le 25 mars 1981 -- Le ministre d'Etat au Commerce, l'honorable Edward C. Lumley, a annoncé aujourd'hui que des fonctionnaires du ministère de l'Industrie légère et de la Société internationale chinois de fiducie et d'investissement de la République populaire de Chine séjourneront au Canada du 26 mars au 16 avril 1981. Cette mission est parrainée par le ministère de l'Industrie et du Commerce à la suite de l'invitation du ministre, M. Lumley, lancée lors de sa mission en Chine en septembre dernier, et aussi de l'invitation qu'il avait faite au vice-premier ministre chinois Bo Yibo lors de la visite de ce dernier au Canada en août 1980.

Depuis le début des années 70, les besoins de la Chine en pâtes de toutes sortes ont considérablement augmenté, et elle a beaucoup acheté au Canada. Le commerce des pâtes et papiers entre le Canada et la Chine, en 1980, s'est élevé à plus de \$90 millions et il a notamment compris la vente de 165 mille tonnes métriques de pâtes. La Chine s'industrialise de plus en plus, et ses besoins en pâtes augmenteront; elle désire s'assurer de sources fiables d'approvisionnement à long terme au moyen d'une co-participation avec un fabricant canadien.

La mission chinoise, dirigée par le sous-directeur du bureau de l'industrie du papier du ministère de l'Industrie légère, M. Hu Zong Yuon, comprendra des spécialistes chevronnés en technologie et en investissement.

Le ministère de l'Industrie et du Commerce a organisé des visites d'usines au Québec, au Nouveau-Brunswick et en Colombie-Britannique. Les membres de la mission discuteront des progrès techniques actuels, inspecteront les lieux et étudieront diverses possibilités d'investissement.

- 30 -

POUR PLUS DE RENSEIGNEMENTS, S'ADRESSER A:

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W.H. TERRY (613) 593-5467

IMMEDIATE

Subject/Sujet

TRADE SHOW PARTICIPATION LEADS TO GROWTH FOR SILCOFAB LIMITED (Guelph, Ontario)

ITC 17/81

OTTAWA, March 30, 1981 - The Honourable Herb Gray, Minister of Industry, Trade and Commerce, has been advised by Silcofab Limited of Guelph, Ontario, that participation in the department's Trade Fair Program has led to new sales in the U.S. market that may approach \$1.5 million.

In October 1979 this gasket and seal manufacturer exhibited at Industry, Trade and Commerce's "Boston High Technology Show Place." A representative of Boeing Commercial Aircraft Company visited the Silcofab display and approximately a month later contacted the Guelph firm to determine if it would be a suitable supplier.

After some intense development work by Silcofab, all of Boeing's specifications and requirements were met. Prototype parts were subsequently approved by Boeing and Silcofab is now producing sophisticated fabric reinforced silicone moulded seals for use in the aircraft manufacturer's new 767 commercial aircraft.

To produce these gaskets and seals Silcofab has formed a new company department.

"We see increased growth that may exceed \$1.5 million per year in the next two or three years. Most of the volume will consist of export sales that would not normally have existed. We are fairly certain that, without the exposure we received in Boston, this development may not have occurred," said Mr. P. Valeriote, Vice President of Silcofab.

The Minister noted that Silcofab's experience is typical of firms that use ITC's Trade Fair Program to exhibit their products abroad.

- 30 -

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IMMEDIATE

Subject/Sujet

LA COMPAGNIE SILCOFAB LIMITED AUGMENTE SES VENTES GRÂCE À
SA PARTICIPATION AU PROGRAMME DES FOIRES

IT&C 17/81

OTTAWA, le 30 mars 1981 -- La compagnie Silcofab Ltd. de Guelph, en Ontario, a avisé le ministre de l'Industrie et du Commerce, l'honorable Herb Gray, que grâce à sa participation au Programme des foires du Ministère, elle a remporté des ventes de près de \$1,5 million sur le marché américain.

En octobre 1979, ce fabricant de joints et de dispositifs étanches a exposé, grâce au ministère de l'Industrie et du Commerce, au "Boston High Technology Show Place". Un représentant de la compagnie Boeing a pu examiner les produits de Silcofab, et environ un mois plus tard, il est entré en contact avec cette entreprise, afin de voir si celle-ci pourrait devenir un fournisseur.

Après des efforts intenses de développement, Silcofab a été en mesure de répondre à toutes les spécifications et les demandes de Boeing. Par la suite, toutes les pièces d'essai soumises par Silcofab furent approuvées par Boeing. Silcofab fabrique maintenant des joints étanches en silicone moulé et en tissu armé, qui sont utilisés dans la fabrication du nouvel avion commercial, le 767.

Silcofab a créé un nouveau service pour fabriquer ses joints et ses dispositifs étanches.

"Nous prévoyons une croissance qui pourrait dépasser \$1,5 million par année, d'ici deux ou trois ans. La plupart des ventes seront des ventes à l'exportation que nous n'aurions normalement pas remportées. Nous sommes convaincus que si nous n'avions pas exposé à Boston, nous n'aurions pu remporter ce contrat", a déclaré M. P. Valeriote, vice-président de Silcofab.

Le Ministre a noté que ce qui est arrivé à Silcofab est typique de ce qui arrive aux entreprises qui utilisent le Programme des foires d'I et C pour exposer leurs produits à l'étranger.

- 30 -

POUR PLUS DE RENSEIGNEMENTS DE I ET C, S'ADRESSER À:

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IMMEDIATE

Subject/Sujet

CANADIAN MUSICAL INSTRUMENTS STRIKE VICTORY NOTE IN WEST GERMANY

IT&C 18/81

OTTAWA, March 31, 1981 - The Hon. Herb Gray, Minister of Industry, Trade and Commerce, and the Hon. Ed Lumley, Minister of State for Trade, announced today that Canada's first-time-ever national participation at a European musical industries trade fair was an outstanding success. Nine Canadian companies exhibited at MUSIKMESSE, staged in Frankfurt, West Germany, February 7 - 11, 1981. Their on-site orders totalled \$791,000. Follow-up business during 1981 is expected to exceed \$4 million.

The display of Canadian products at the international trade show in Frankfurt was sponsored by the Department of Industry, Trade and Commerce.

Competing against Germany and Japan, the world's largest producers of acoustic guitars, a small Saint Léonard, Quebec, company, Sibecor Musical Instruments Limited, employing only 50 craftsmen, did \$415,000 worth of new business at the Frankfurt show.

Occupying pride of place on the Sibecor stand was a range of classical guitars made of Canadian maple, straight-grain spruce and yellow birch. The hand-made Kamouraska Etude classical guitar recently won a National Design Council award for excellence in product design.

Canada's sales success with wood instruments was complemented by the orders received for a micro-computer piano keyboard that gives the embryo pianist instant access to 1,500 chords and harmonic scales. Small enough to fit into a briefcase, this unique learning aid earned orders worth \$39,000 for its inventor and manufacturer, Lexicon Music Computer Canada Ltd., Quebec City.

- 30 -

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IMMEDIATE

Subject/Sujet

SUCCÈS RETENTISSANT DES LUTHIERS CANADIENS EN ALLEMAGNE FÉDÉRALE

IT&C 18/81

OTTAWA, le 31 mars 1981 - L'honorable Herb Gray, ministre de l'Industrie et du Commerce, et l'honorable Ed Lumley, ministre d'État au Commerce, ont révélé aujourd'hui que la toute première participation du Canada à une foire commerciale européenne de l'industrie de la musique s'est avérée un succès remarquable. Neuf sociétés canadiennes ont participé à l'exposition MUSIKMESSE qui s'est tenue à Francfort, en Allemagne de l'Ouest, du 7 au 11 février 1981. Les commandes reçues sur place s'élèvent à \$791 000 et on estime à plus de \$4 millions le chiffre d'affaires qui découlera, en 1981, de cette exposition.

La participation des sociétés canadiennes à l'exposition de Francfort a été parrainée par le ministère fédéral de l'Industrie et du Commerce.

Rivalisant avec l'Allemagne et le Japon, qui sont les plus grands producteurs de guitares acoustiques du monde, la société Les instruments de musique Sibecor Limitée, de Saint-Léonard, a réussi à y obtenir de nouveaux contrats de vente s'élevant à \$415 000. La société n'emploie que 50 artisans.

Un assortiment de guitares classiques faites d'érable, d'épinette à grain uniforme et de bouleau jaune occupait une place de choix dans le stand de Sibecor. La guitare classique Kamouraska Étude, faite à la main, a récemment remporté un prix d'excellence du Conseil national de l'esthétique industrielle, pour sa conception originale.

Au succès des ventes d'instruments en bois du Canada s'ajoutent des commandes pour un clavier de piano fonctionnant à l'aide d'un micro-ordinateur, qui offre au pianiste en herbe 1500 accords et gammes harmoniques. Assez petit pour qu'on le range dans un porte-documents, cet instrument d'apprentissage exceptionnel a permis à son créateur et fabricant, la société Ordinateur musical Lexicon Canada Limitée, de la ville de Québec, de recevoir des commandes totalisant \$39 000.

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For release/Pour publication

IMMEDIATE

Subject/Sujet CAE ELECTRONICS LTD. TO BE AWARDED \$10 MILLION
FLIGHT SIMULATOR CONTRACT

T 10/81

OTTAWA, March 31, 1981 -- The Honourable Edward C. Lumley, Minister of State for Trade, announced today that Canadian Commercial Corporation has entered into a contract with the Italian Ministry of Defence for the supply of a four crew compartment Flight Simulator to be produced by CAE Electronics Ltd, of Montreal.

The Simulator will be used by the Italian Army in training of pilots for their AB-205 Helicopter. The contract, valued at \$10 Million is scheduled for completion by the end of December 1982.

CAE Electronics Ltd. is an important Canadian exporter and one of the world's leading manufacturers of Flight Simulators. During 1980 export sales of CAE Simulators through C.C.C. totalled \$28.3 Million.

Canadian Commercial Corporation, a Federal Crown Agency, acts as a prime contractor on behalf of Canadian suppliers in dealing with foreign governments and international agencies. The Corporation has an annual sales volume in excess of \$350 million representing exports produced by more than 500 Canadian companies and sold to over 50 foreign countries and international agencies.

- 30 -

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IMMEDIATE

Subject/Sujet CONTRAT DE \$10 MILLIONS POUR DES SIMULATEURS DE
VOL A LA CAE ELECTRONICS

T 10/81

OTTAWA, le 31 mars 1981 -- L'honorable Edward C. Lumley, Ministre d'Etat au Commerce, a annoncé aujourd'hui que la Corporation commerciale canadienne a conclu, avec le ministère italien de la Défense, un contrat pour la fourniture d'un simulateur de vol avec compartiment pour quatre membre d'équipage qui sera produit par la CAE Electronics Ltd., de Montréal.

Le simulateur servira à l'armée italienne pour la formation des pilotes pour son hélicoptère AB-205. Les travaux, dans le cadre du contrat, évalué à \$10 millions devraient être terminés à la fin de décembre 1982. La CAE Electronics Ltd. est un important exportateur canadien et l'un des premiers fabricants mondiaux de simulateurs de vol. En 1980, les ventes à l'exportation de simulateurs de la CAE réalisées par l'intermédiaire de la C.C.C. ont totalisé \$28.3 millions.

La Corporation commerciale canadienne, une société d'Etat fédérale, agit comme premier entrepreneur pour le compte de fournisseurs organismes internationaux. La Corporation enregistre des ventes annuelle de plus de \$350 millions provenant d'exportations effectuées par plus de 500 compagnies canadiennes vers plus de 50 pays étrangers et organismes internationaux.

- 30 -

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IMMEDIATE

Subject/Sujet

FEDERAL GOVERNMENT TAKES PART IN HEALTH PRODUCTS OPPORTUNITIES SHOW

IT&C 18/81

OTTAWA, April 1, 1981 - The Hon. Herb Gray, Minister of Industry, Trade and Commerce, said today that the Health Products Opportunities Show opening today in Winnipeg is an excellent example of governments and industry working together to acquaint Canadian manufacturers with the opportunities available in this sector of industry.

It is estimated that the domestic market for health products is worth approximately \$1.2 billion of which 75 per cent, or about \$900 million, is accounted for by foreign-made products.

This effort of ten provincial governments, the federal government and the Canadian Association of Manufacturers of Medical devices brings together buyers of medical devices and manufacturers of such devices together to see what, of the more than 10,000 exhibits, all imports and all used extensively in Canada could be made in Canada.

Mr. Gray said that the federal government is involved in this show and the Mining Opportunities Show to be held in Vancouver later this month as part of its "Shop Canadian" activity.

The industry departments of all 10 provinces and seven federal departments co-operated to put on the show. The Department of Industry, Trade and Commerce co-ordinated the federal participation, supplying much of the information needed such as analysis of imports through its Import Analysis Branch.

An interim edition of IT&C's product-sourcing directory, "Listing of Made in Canada Health Care Products," was published to coincide with the show's opening. When completed, this directory will be a detailed source of information, in both official languages, on names and addresses of Canadian manufacturers of products sought by Canadian buyers of health care products and is produced by IT&C's Business Opportunities Sourcing System (BOSS).

Other federal departments taking part in the show include National Revenue, who will have an official at the IT&C booth to provide information on tariffs; Supply and Services, which provided information for the organizers on federal purchases of health care products and contacts, and which will have a representative at the IT&C booth to provide information on federal purchasing policy. The Federal Business Development Bank also will be represented.

The National Research Council and the Department of National Health and Welfare will each have a booth, the former displaying products and technology available to Canadian manufacturers from its Biomedical Program, and Health and Welfare offering information on medical devices and on the regulations governing health care products sold in Canada.

Both National Defence and Veterans Affairs provided samples of medical equipment as used in federal hospitals which will be included in the general display.

- 30 -

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IMMEDIATE

Subject / Sujet

HERB GRAY ANNOUNCES \$2.5 MILLION DIPP GRANT TO BRISTOL AEROSPACE LTD.

IT&C 19/81

OTTAWA, April 1, 1981 - The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that his department has awarded Bristol Aerospace Ltd. of Winnipeg a grant of \$2.5 million under IT&C's Defence Industry Productivity Program (DIPP). The grant will assist the company in the purchase of production equipment required for the modernization and expansion of the company's aero-engine manufacturing facilities.

Mr. Gray said the grant is intended to help and reinforce the company's competitive base in world markets. "It is another example of the co-operative relationship that exists between the federal government and Canadian industry," he said.

The equipment consists of advanced numerically controlled machines that are essential components of computer-aided design and manufacturing systems. These systems are of the utmost importance in achieving the competitively priced, high quality sophisticated products called for in today's advanced design and manufacturing techniques.

"The high cost of investment in this type of equipment," Mr. Gray said, "and the very long investment/return cycle that is characteristic of the aerospace industry makes it necessary for companies in this industry to seek government support."

The new equipment will be used in manufacturing components for gas turbine engines, including the General Electric F404 that will power Canada's new F18A fighter aircraft.

Bristol Aerospace Ltd., originally McDonald Brothers Aircraft, was established in 1930 to provide aircraft repair and overhaul services in support of the Commonwealth Air Training scheme. By 1968 it was firmly established as a manufacturer of components for gas turbine engines. It also manufactures the Canadian Black Brant rocket.

- 30 -

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IMMÉDIATE

Subject/Sujet

**ANNONCE PAR HERB GRAY D'UNE SUBVENTION PPIMD DE \$2,5 MILLIONS A
BRISTOL AEROSPACE LTD**

I et C 19/81

OTTAWA, le 1^{er} avril 1981 - L'honorable Herb Gray, ministre de l'Industrie et du Commerce, a annoncé aujourd'hui que son Ministère a accordé à Bristol Aerospace Ltd., de Winnipeg, une subvention de \$2,5 millions aux termes du Programme de productivité de l'industrie du matériel de défense (PPIMD). Cette somme aidera l'entreprise à se procurer des biens d'équipement pour la modernisation et l'expansion de son usine de fabrication de moteurs d'aéronefs.

M. Gray a fait remarquer que cette subvention permettrait d'améliorer la compétitivité de l'entreprise sur les marchés du monde. Voilà un autre exemple de la coopération entre le gouvernement fédéral et l'industrie canadienne," a-t-il précisé.

Les biens d'équipement envisagés sont des machines numériques et informatisées d'un type évolué, éléments essentiels des systèmes informatiques de design et de fabrication. Ces systèmes revêtent une importance primordiale dans la réalisation des produits de technologie de pointe, de haute qualité et à prix raisonnables, que réclament les techniques évoluées de design et de fabrication.

"Le coût élevé de l'investissement dans ce genre d'équipement, a ajouté M. Gray, et le cycle investissement/bénéfice de longue haleine qui caractérise l'industrie aérospatiale imposent aux entreprises de ce secteur de recourir au soutien du gouvernement."

Les nouveaux équipements serviront à fabriquer les composants des moteurs à turbine à gaz, y compris le F404 de la Générale Électrique, qui propulsera le nouvel avion chasseur canadien, le F18A.

Bristol Aerospace Ltd., autrefois McDonald Brothers Aircraft, fut établie en 1930 pour fournir les services de réparation et de révision dans le cadre du Programme d'entraînement des forces aériennes du Commonwealth. En 1968, elle était déjà bien reconnue comme fabricant de composants pour les moteurs à turbine à gaz. Elle fabrique aussi l'engin canadien Black Brant.

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APR 29 1981

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IMMEDIATE

Subject/Sujet

TRADE MINISTER LUMLEY TO VISIT SAUDI ARABIA AND NIGERIA

T 11/81

OTTAWA, April 6, 1981 -- Trade Minister Ed Lumley left during the weekend for a trade mission to Saudi Arabia and Nigeria. This mission is to further develop the dialogue initiated by Prime Minister Trudeau during his recent visits to these two countries and is aimed at broadening and deepening our bilateral relations.

Mr. Lumley will be in Nigeria between April 5 and 8 with representatives of ten companies to assist them in their efforts to sell aircraft, rail transportation equipment, communication equipment, security hardware, heavy construction equipment, food products, school projects, and engineering services. Potential benefits to Canada from these sales could approach \$500 million dollars. With company executives he will be meeting several Ministers in Nigeria to support these major trade opportunities.

Mr. Lumley will then visit Saudi Arabia where he and accompanying government officials will discuss with Saudi Ministers how closer government to government cooperation will facilitate increased exports of Canadian goods, technology and skills to meet Saudi agricultural, communications, education, scientific and transportation needs. These meetings, as well as discussions with Saudi businessmen, should significantly advance a number of Canadian commercial proposals to supply \$3 billion worth of equipment and services.

Canada and Saudi Arabia currently enjoy a very strong trade relationship, with Canada exporting \$550 million in goods and services in 1980 and purchasing some \$2.4 billion in crude oil.

- 30 -

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IMMÉDIATE

Subject / Sujet

VISITE DE M. LUMLEY EN ARABIE SAOUDITE ET AU NIGÉRIA

T 11/81

OTTAWA, le 6 avril 1981 — Le ministre d'État au Commerce, l'honorable Ed Lumley, a entrepris en fin de semaine une mission commerciale qui le conduira en Arabie Saoudite et au Nigéria. Cette mission a pour but de développer le dialogue ouvert par le Premier Ministre au cours de son récent voyage dans ces deux pays, et d'élargir et d'approfondir nos relations commerciales.

M. Lumley sera au Nigéria du 5 au 8 avril, en compagnie de représentants de dix compagnies qu'il aidera dans les efforts qu'elles effectuent pour vendre des avions, du matériel de transport ferroviaire et de communications, du matériel de sécurité, de l'équipement lourd de construction, des produits alimentaires, des projets d'écoles et des services d'ingénierie. Les avantages économiques potentiels que le Canada pourrait retirer de ses ventes approchent \$500 millions. C'est accompagné des cadres des compagnies qu'il rencontrera plusieurs ministres du Nigeria, pour appuyer ces importants efforts commerciaux.

M. Lumley se dirigera ensuite vers l'Arabie Saoudite, où, accompagné de hauts fonctionnaires du gouvernement, il s'entretiendra avec des ministres saoudiens, de la façon dont une coopération plus étroite entre les deux gouvernements pourra faciliter des exportations plus importantes de marchandises, de technologies et de compétences canadiennes, pour répondre aux besoins saoudiens dans les domaines de l'agriculture, des communications, de l'éducation, des sciences et du transport. Ces entretiens, ainsi que les rencontres avec les hommes d'affaires saoudiens, devraient permettre de bien faire avancer un certain nombre de propositions commerciales canadiennes visant à fournir \$3 milliards de matériel et de services à ce pays.

Le Canada et l'Arabie Saoudite ont actuellement des relations commerciales très fortes. En 1980, le Canada a exporté \$550 millions en biens et services, et a acheté près de \$2,4 milliards de pétrole brut.

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POUR DE PLUS AMPLES RENSEIGNEMENTS, VEUILLEZ ENTRER EN CONTACT AVEC:

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IMMEDIATE

Subject/Sujet

FEDERAL SUPPORT FOR CANADIAN EXHIBITORS AT 70 TRADE FAIRS IN 19 COUNTRIES

IT&C 20/81

OTTAWA, April 6, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, and the Hon. Edward C. Lumley, Minister of State for Trade, announced today details of federal sponsorship of Canadian participation at 70 international trade fairs during the fiscal year commencing April 1, 1981.

The Department of Industry, Trade and Commerce is investing \$6.2 million in promoting Canadian goods and services which will be exhibited in 19 countries.

The major sales and promotion effort will be mounted in the United States (25 trade fairs), Western Europe (25 fairs) and in the United Kingdom (5 fairs).

While the decision to present Canadian exhibits at 25 trade fairs in the United States reflects the importance of the North American market, the international appeal of U.S. shows - 25 in 18 cities spread across 13 states - guarantees the attendance of buyers from other parts of the world. Similarly, although West Germany ranks as Canada's fourth largest trading partner, Canadian participation at 13 West German trade fairs also bears testimony to the drawing power of international exhibitions staged in that country.

Canadian food specialists will enjoy federal support at no fewer than five trade exhibitions in the United States, and at Europe's major food industry event, held in Cologne, October 1-15, 1981.

Mexico (two shows), Panama and Venezuela figure prominently in the federal international trade fair program. Canadian manufacturers will also be represented at four international exhibitions in Australia.

In North Africa, international buyers will be attracted to Canadian products on show in Algiers and Morocco. Farther south on the African continent, at Bulawayo, Canadian companies will have an information booth at the Zimbabwe International Trade Fair.

Four East European countries - East Germany, Poland, Czechoslovakia and Yugoslavia - have been selected as trade fair targets during the 1981-82 fiscal year.

The location of Canadian exhibits in 70 international marketplaces on five continents confirms the Department of Industry, Trade and Commerce efforts to boost the exports of Canadian manufactured goods.

Federal support for Canadian trade show efforts will include sponsorship of ten contract furniture and office equipment exhibitions in the United States, as well as a series of product displays scheduled for the Canada Trade Centre in Tokyo.

During the fiscal year which ended March 31, 1981, the Department of Industry, Trade and Commerce sponsored the participation of 1100 Canadian companies at 104 trade fairs abroad. On site orders totalled \$40 million, with follow-up business estimated at \$900 million over a 12-month period.

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IMMEDIATE

Subject/Sujet

HERB GRAY TO HOLD TALKS WITH U.S. COUNTERPARTS

ITC 21/81

OTTAWA, April 9, 1981 - The Hon. Herb Gray, Minister of Industry, Trade and Commerce, will visit Washington tomorrow for talks with the U.S. Trade Representative, Senator William Brock, and U.S. Secretary of Commerce Malcolm Baldrige.

Mr. Gray said the talks are a direct follow-up to the discussions started during President Reagan's visit to Ottawa last month and will cover a number of current bilateral and multilateral subjects of mutual interest.

"The two-way trade between our countries is in the billions of dollars," he said, "and this results in a close interdependence."

In the first two months of this year, Canadian exports to the United States were worth \$8.7 billion, an increase of 4 per cent.

In the automotive sector, exports in the same period amounted to \$1.5 billion, while imports were worth \$1.8 billion.

"Both countries have a major interest in the health of the North American automotive industry," Mr. Gray added, "and this will be one of the topics we will be discussing."

- 30 -

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IMMÉDIATE

Subject/Sujet

MONSIEUR GRAY S'ENTRETIENDRA AVEC SES HOMOLOGUES AMÉRICAINS

I et C 21/81

OTTAWA, le 9 avril 1981 - L'honorable Herb Gray, ministre de l'Industrie et du Commerce, visitera Washington demain pour s'entretenir avec le représentant du Commerce, le sénateur William Brock, et le secrétaire du Commerce des États-Unis, M. Malcolm Baldrige.

M. Gray a déclaré que ces rencontres relancent les discussions entamées pendant la visite du président Reagan à Ottawa, le mois dernier, et porteront sur un certain nombre de questions actuelles d'intérêt commun tant bilatérales que multilatérales.

"Les échanges commerciaux à deux sens entre nos deux pays se chiffrent dans les milliards de dollars, a-t-il déclaré, et il en résulte une interdépendance étroite."

Pendant les deux premiers mois de la présente année, les exportations canadiennes vers les États-Unis ont totalisé \$8,7 milliards, ce qui représente une progression de 4 %.

Dans le secteur de l'automobile, les exportations ont atteint \$1,5 milliard pendant la même période, tandis que les importations s'élevaient à \$1,8 milliard.

"Les deux pays s'intéressent beaucoup à la santé de l'industrie automobile nord-américaine," a ajouté M. Gray, "et ce sera un des sujets de nos discussions."

- 30 -

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For release/Pour publication
IMMEDIATE

Subject/Sujet

CONSULTATIVE COMMITTEE SET UP FOR DISTRIBUTIVE TRADES

IT&C 24/81

OTTAWA, April 16, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today the appointment of the Distributive Trades Consultative Committee. The first meeting was held today in Ottawa.

The committee is composed of 22 senior executives of business and labour under the chairmanship of Mr. T. Bolton, deputy director of Dominion Stores.

The distributive trades - wholesalers and retailers - consist of about 250,000 firms employing two million persons with sales of \$180 billion a year.

This committee is part of the Department's program to encourage closer industry-government dialogue.

Mr. Gray said the suggestion for a Distributive Trades committee's came from the Retail Council of Canada and that the committee's work would be finished by April 1982. He added he was looking forward to receiving the committee's report and suggestions on how the government could help the industry to better serve the public.

A list of committee members is attached.

- 30 -

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DISTRIBUTIVE TRADES CONSULTATIVE COMMITTEE

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Mr. J.D. Muncaster
President & Chief Executive Officer
Canadian Tire Corporation

Ms. R. Brill
Manager
Sales & Promotion
Brill's Interiors

Mr. Robert Yorston
Shoppers' Drug Mart

Mr. Hugh Buchanan
Canadian Director,
Retail, Wholesale
and Department Store Union

Mr. W. Hachborn
President and General Manager
Home Hardware

Mr. Claude Beaulieu
President & Managing Director
Sports Experts

Mr. Roger Legere
President
I&R Reg'd

Mr. Ruby Osten
President,
The Shoe Shoppe

Dr. D. Tigert
Dean of Business School
and Professor of Marketing
University of Toronto

Mr. T.P. Bell
Chief Executive Officer
Federated Co-operatives Limited

Mr. Richard Poirier
Executive Vice-President
and General Manager
Armdale Wholesalers Inc.

Mr. Hy August
President
Monark Sales

Mr. Robert H. Cherot
President
Alberta Grocers Wholesale Ltd.

Mr. G. W. MacLaren
President & Chief
Operating Officer
Woodwards

Mr. George Hodge
General Manager
Drug Trading Co. Ltd.

Mr. Harvey Secter,
President
Ricki's Canada Ltd.

Mr. Jean-Pierre Laviolette
Vice-President
Marketing
Prestige Limited

Mr. B. Terfloth
President
B. Terfloth & Co. (Canada)
Ltd.

Mr. F.M. Warnock
President & Chief Executive
Officer
M. Loeb Limited

Mrs. M. Dobrin
Group Vice-President &
General Manager
Miracle Mart

Mr. M. Goldberg
Marevale Windsor Ltd.

Mr. C.R. Sharpe
President
Simpsons-Sears Ltd.

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IMMEDIATE

Subject / Sujet

ASEAN AMBASSADORS TOUR MONTREAL FIRMS

T 12/81

OTTAWA, April 16, 1981 - The Hon. Edward C. Lumley, Minister of State for Trade, said today that a recent tour by the Ambassadors of Malaysia, Thailand, Indonesia and the Philippines of two companies in Montreal, The SNC Group and CAE Electronics Ltd., was very successful.

Mr. Lumley said the tour was a prime example of co-operation between industry and government. He said that both The SNC Group and the Department of Industry, Trade and Commerce had been working separately on the idea of conducting tours for foreign diplomats and these plans had culminated in the visits.

The Minister said that there is a need for Canada and our trading partners in ASEAN countries to become more familiar with our respective cultures, economies, business practices and industrial capabilities. Tours of Canadian firms provide these foreign diplomats with an opportunity to get a first-hand view of Canadian industry. Both SNC and CAE are well known in the Pacific Rim, SNC as one of Canada's foremost firms of consulting engineers with extensive experience in offshore projects and studies and CAE as a leader in the manufacture of flight simulators, with worldwide exports.

The importance of the ASEAN countries as trade partners has increased rapidly. For example, total two-way trade has more than tripled during the period 1976 - 1980, from \$352 million to \$1,141 million. With annual growth in GNP averaging over 7 per cent in ASEAN in the past decade, the importance of this market to Canadian exports will continue to grow.

Mr. Lumley, who has led trade development missions to all of the ASEAN countries since his appointment as Trade Minister, said: "When official representatives of these countries see for themselves what Canada has to offer, can see the skills that go into our manufactured products and meet our business executives, then prospects for trade will be enhanced.

"Canada's expertise in such sectors as resource development, agriculture, electrical power, oil and gas, transportation and communications has real prospects for complementing ASEAN's economic development objectives."

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IMMEDIATE

Subject/Sujet

WORLD SYMPOSIUM ON ASBESTOS TO BE HELD IN CANADA - MAY 1982

ITC 25/81

OTTAWA, April 22, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, and the Hon. Yves Bérubé, Quebec Minister of Energy and Resources, announced today that the federal government, the Quebec government and the Commission of the European Communities have agreed to sponsor a World Symposium on Asbestos in Montreal, May 25-27, 1982. The theme of the symposium will be "Asbestos: Health and Society."

The Symposium will aim at open discussions on asbestos from the perspectives of the latest scientific and medical evidence, recent advances in technology and current socio-economic impact. More specifically, these discussions will focus on questions related to occupational and public health, product safety, the protection of the environment and trends in regulatory policy.

The 1976 E.C./Canada Framework Agreement for Commercial and Economic Co-operation has provided numerous opportunities for both sides to strengthen and expand their economic ties. Since 1978, questions concerning asbestos have been included in the program for industrial co-operation between the E.C. and Canada in view of the economic and commercial importance of this product for both parties and the need to resolve social and environmental issues connected with the production and use of asbestos.

A Steering Committee composed of representatives of government, labour, industry and the scientific community meeting today in Brussels, has been charged with the responsibility of organizing the Symposium and ensuring that all viewpoints regarding asbestos will be presented.

- 2 -

The co-operation between the Commission, Canada and Quebec offers a unique opportunity on an international level to reconcile economic interests with social, industrial and environmental requirements. Therefore, the partners in the Symposium anticipate that this gathering of international experts will help to clarify issues presently the subject of controversy in many parts of the world.

- 30 -

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For release/Pour publication

IMMEDIATE

Subject/Sujet **FEDERAL GOVERNMENT PROVIDES MAJOR FINANCIAL ASSISTANCE
FOR GREATER VANCOUVER TRANSIT PROJECT**

T 13/81

VANCOUVER/OTTAWA, April 24, 1981 -- The Government of Canada today announced it will provide an up-front contribution of \$60 million for the Vancouver Rapid Transit project. The amount is subject to the negotiation of satisfactory terms and conditions between the Government of Canada and British Columbia's Urban Transit Authority (UTA).

Appearing before the UTA Board in Vancouver, Hon. Ed Lumley, Minister of State for Trade said, "The Vancouver Transit Project will be the first application of the Canadian Advanced Light Rapid Transit System (ALRT) to enter regular passenger service. It will be the showpiece for Transpo '86, the major International Exposition on Transportation which has been awarded to Vancouver."

Mr. Lumley emphasized that, "Potential buyers of urban transit systems will be coming to Canada from around the world and we will be there with not only a distinctively Canadian system, but also with the most modern Light Rapid Transit System in the world. The world-wide sales potential for the ALRT is immense, estimated at more than \$20 billion over the next 20 years." Mr. Lumley congratulated British Columbia for choosing this leading edge Canadian technology which has been developed over six years by the Ontario Urban Transportation Development Corporation (UTDC).

In Ottawa, Senator Ray Perrault, British Columbia's representative in the federal Cabinet predicted that the Government of Canada's commitment will provide necessary up-front capital for the project. "The UTA is now in a position to launch the project May 1," said the Senator. He added, "The project will bring important economic benefits to British Columbia."

One federal priority established last November by Senator Perrault and Minister Lumley in discussions with the Government of British Columbia and UTA officials was the need to maximize economic benefits to Western Canada.

"As a result," said Senator Perrault, "further federal discussions with the UTDC and the UTA have established that 65-75% of the project spending will be in Western Canada.

"Western firms are expected to provide high technology components, various assembly parts, and to construct all basic infrastructure. Consulting engineering, architectural, and service industries will also benefit," the Senator said.

There will be substantial gains for secondary industry. The contracts awarded to firms in Western Canada are expected to include exclusive product mandates. For all ALRT sales, domestic and foreign, these firms will be among the Canadian suppliers.

Hon. Lloyd Axworthy, Chairman of the Cabinet Committee on Western Affairs, said, "This project offers significant economic benefits to Western Canada while drawing on the strength of our economic union. This federal commitment reflects the priority the Government places on economic diversification in Western Canada."

- 30 -

Backgrounders attached

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BACKGROUNDER A

World requirements for more efficient urban public transportation systems are expanding rapidly. With the development of the Advanced Light Rapid Transit (ALRT) system in Ontario, Canada has an innovative product which can compete in world markets on its own merit.

The Vancouver ALRT project is the first application of this Canadian technology in a regional urban environment. British Columbia's decision to buy ALRT is an important step towards western economic diversification and east/west co-operation.

ALRT is a product of a six-year development and testing program carried out by the Urban Transportation Development Corporation (UTDC) of Ontario. The ALRT system incorporates proven rail transport technology from international industrial suppliers, all based in Canada. The present estimate of the domestic and export potential for the ALRT is \$20 billion to the year 2000.

With the sale to Vancouver, UTDC has pledged a maximum transfer of industrial benefits to the west, up to 65 - 75% of project costs. Until this sale, manufacturing capabilities in the rail and transit sectors did not exist west of Winnipeg. Related activities in the west will include exclusive product mandates for ALRT sales, both domestic and foreign, of the high technology electrical components and systems ALRT requires; the production of mechanical components and sub-assemblies; and the consultant work of architects and structural, mechanical and transportation engineers. Vehicle assembly will remain in the east where there is an overcapacity and the availability of the test track at Kingston for production testing.

Internationally, strong interest has been shown in the Canadian ALRT system by the city of Los Angeles and four other U.S. cities. The technology is currently being examined by

Singapore, Kuwait and London for turnkey installations. Japan and the United Kingdom have already licensed designs from UTDC, with the caveat that at least 20% of the contracts must be supplied in Canada.

The federal government's financial contribution to ALRT in Vancouver is in keeping with the government's mandate to stimulate industrial and trade development through the support of new innovative technology. Also, this commitment ensures that the system will be operational in time for Transpo '86. This is a major Canadian transportation exposition expected to attract decision makers and buyers of transportation systems from the whole world.

The ALRT System:

- . Part of a total system, accommodating other transportation modes and services;
- . Responsive to environmental and other public concerns;
- . 90% Canadian content;
- . Handles up to 25,000 passengers per hour;
- . Costs approximately one quarter as much as an equal length of subway;
- . Can be installed either above or below ground;
- . The quietest rapid transit system in the world;
- . Will run under any weather conditions;
- . Can run as close as 60 seconds apart depending on service requirements;
- . Operates with maximum safety provisions;
- . Cars are 40 feet long and accommodate 28 seated and 55 standing passengers;
- . Vehicles will typically cruise at 45 m.p.h.

BACKGROUNDER B

Vancouver Advanced Light Rapid Transit System (ALRT) Identified Opportunities for B.C. Industry

On January 28 and 29, 1981, UTDC and officials of the B.C. Ministry of Industry and Small Business first met to identify possible opportunities that could be available to B.C. companies through the ALRT project. In addition to construction of the Vancouver system, certain companies may be given exclusive mandates for the manufacturing of components for worldwide sales.

Contracts for basic infrastructure such as site development, concrete work, and station construction are expected to be given exclusively to local B.C. companies. Similarly all the on-site design and engineering is expected to accrue to B.C. companies.

The assembly, fabrication and manufacture of various system components have the best potential for significant new technology being developed in the West. Subsequent to the January meetings, officials of UTDC have been meeting with various B.C. companies, escorted by officials of the B.C. government, in order to identify sources for various materials, and to stimulate interest in the project.

The primary purpose of these meetings with B.C. companies is to identify if manufacturing capability for products initially identified for sourcing now exist or can be encouraged. A second level of acceptability is for components manufacturers in Canada generally. A third level of acceptability is that B.C. distributors can supply materials which are not and will not be produced in Canada.

Of the following lists of materials identified for B.C. sourcing, the most technologically significant are:

- a) Linear induction motors,
- b) Wiring harnesses,
- c) Small castings,
- d) Axles
- e) Various fibreglass components such as power rail insulators

Opportunities fall in the following categories:

- 1) Carbody parts and assemblies,
- 2) Truck parts and assemblies,
- 3) Vehicle equipment,
- 4) Wayside equipment,
- 5) Guideway mounted equipment,
- 6) Maintenance equipment

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For release/Pour publication

IMMEDIATE

Subject/Sujet

DAF INDAL LTD., AWARDED CONTRACT FOR RAST EQUIPMENT

T 15/81

Ottawa, April 27, 1981 -- The Honourable Edward C. Lumley, Minister of State for Trade announced that the Canadian Commercial Corporation had awarded a production contract to DAF Indal Limited, Mississauga, Ontario. The \$5 Million contract, on behalf of the U.S. Navy, Naval Air Systems Command is for Recovery Assist Secure and Traverse (RAST) systems and support for the U.S. Navy Light Air Borne Multi-Purpose Program.

The contract is the first phase of a program, which could lead to further production with a potential in excess of \$300 Million through to 1988.

The RAST equipment provides for the safe operation of helicopters from the decks of cruiser, destroyer and frigate type vessels in weather conditions that would otherwise prevent helicopters from taking off or landing. The reconfiguration of the RAST equipment for the U.S. Navy is the result of four years of development to modify equipment originally developed by the Canadian Forces. Prototypes of the new design recently successfully passed technical evaluation during sea trials by the U.S. Navy.

Canadian Commercial Corporation, a Federal Crown Agency, acts as a prime contractor on behalf of Canadian suppliers in dealing with foreign governments and international agencies. The Corporation has an annual sales volume in excess of \$350 Million representing exports produced by more than 500 Canadian companies and sold to over 50 foreign countries and international agencies.

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For release/Pour publication

IMMEDIATE

Subject/Sujet DAF INDAL LTD. OBTIENT UN CONTRAT POUR DU MATERIEL "RAST"

T 15/81

Ottawa, 27 avril 1981 -- L'honorable Edward C. Lumley, ministre d'Etat au commerce, a annoncé que la Corporation commerciale canadienne a accordé un contrat de production à la DAF Indal Limited, de Mississauga (Ontario). Il s'agit d'un contrat de \$5 millions pour le compte du Naval Air Systems Command de la marine américaine portant sur des systèmes de récupération d'hélicoptères ramenés en sécurité sur les navires (RAST) et dans le cadre du programme polyvalent LAMPS de la marine américaine.

Le contrat constitue la première phase d'un programme qui pourrait conduire à d'autres activités de production et même à des ventes de plus de \$300 millions d'ici 1988.

Le matériel RAST assure le fonctionnement sûr des hélicoptères à partir des ponts de croiseurs de destroyers et de frégates dans des conditions climatiques qui, normalement, empêcheraient le décollage et l'atterrissage des hélicoptères. La nouvelle conception du matériel RAST destiné à la marine américaine est le résultat de quatre ans de travaux de mise au point visant à modifier l'équipement conçu au départ par les forces armées canadiennes. Les prototypes de nouveaux appareils ont passé avec succès les tests d'évaluation technique en mer effectués récemment par la marine américaine.

La Corporation commerciale canadienne, une société d'Etat fédérale, agit comme mandataire principal et pour le compte de fournisseurs canadiens dans les transactions avec des gouvernements étrangers et des organismes internationaux. La Corporation enregistre des ventes annuelles de plus de \$350 millions provenant d'exportations effectuées par plus de 500 compagnies canadiennes à plus de 50 pays étrangers et organismes internationaux.

- 30 -

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For release/Pour publication

IMMEDIATE

Subject/Sujet

\$6.7 MILLION DIPP GRANT TO EBCO AEROSPACE

ITC 26/81

RICHMOND, B.C. April 27, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that \$6.7 million will be provided under the Defence Industries Productivity Program of his department to Ebco Industries Ltd. of Richmond, B.C.

This federal grant will enable Ebco's new aerospace division to acquire high technology computer numerical control machine tools and modern cleaning, finishing and quality control equipment necessary in the precision aerospace and defence manufacturing industries. This grant is in line with the efforts of the federal Department of Industry, Trade and Commerce to encourage the building up of a precision manufacturing capability in Western Canada.

Part of the new CNC equipment comprises heavy-multi-spindle, multi-gantry milling machines with 90 ft. by 10 ft. beds giving Ebco Aerospace a capability unique to Canada. As a result of this federal government assistance the new Division is expected to increase the defence and aerospace-related export sales of Ebco by an estimated \$70 million over the five years following commencement of operations. Domestic work expected to utilize the new facility is likely to come from de Havilland Aircraft of Canada, for their new DASH-8 civil aircraft, and from Canadair Ltd. for their Challenger E aircraft.

The Minister added that Ebco Aerospace intends to create a further 50 jobs and bring valuable state-of-the-art technology into British Columbia.

- 30 -

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EBCO INDUSTRIES LTD.

FACT SHEET

BACKGROUND

- Ebco Industries was founded in 1956 as a small tool and die shop located in Vancouver.
- Over the years the Company grew rapidly, acquiring other business and manufacturing interests, until today it stands as a wholly Canadian owned large corporation employing some 800 people. The present plant, on the 8-acre site in Richmond, covers over 207,000 sq. ft. of manufacturing floorspace.
- Ebco Industries consists of a Manufacturing Division, a Plating and Wheels Division, a Data Industries Division and a Sales Division. The new Ebco Aerospace will be part of the Manufacturing Division.
- The Company currently does precision manufacturing work for the Boeing Company, Lockheed, Garrett Airesearch, and the U.S.A.F., in addition to Canadair Ltd., de Havilland and McDonnell Douglas.
- Ebco Aerospace's new capability would be unique in Canada and would establish in British Columbia a major North American precision machining centre.

TOTAL SALES (\$ Millions)

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Ebco Group of Companies	19	21	25	37
Ebco Industries Ltd.	16	18	22	34

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IMMEDIATE

Subject/Sujet

3,500 GENERAL MOTORS CARS SOLD TO IRAQ

T14/81

OTTAWA, April 29, 1981 - During a visit today to the Oshawa plant of General Motors of Canada, the Minister of Trade, the Honourable Edward C. Lumley, announced, in conjunction with General Motors Market Development of Canada Limited, the sale of 3,500 Malibu passenger cars to Iraq at a value of \$30 million. This is in addition to the 10,000 1981 Malibu passenger cars sale announced March 18 which represented one of the largest single export sales of passenger cars from Canada. The combined value of these two orders is \$120 million.

The orders will provide additional employment at the assembly plant for 2800 workers for four weeks as well as a similar level of additional employment among suppliers. The contract also includes service parts and technical support.

The Minister congratulated General Motors Market Development Group for its initiative and effort spent in developing this order and further demonstrating the ability of Canadian companies to export their products into the Middle East and other areas of the world with the assistance of the Government of Canada.

"This is an excellent example of the positive results that can be achieved in the very competitive international market when the private sector and government work in a co-operative manner," he said.

Participating in the visit to the Oshawa plant were the Iraqi Ambassador to Canada, H.E. Abdo A. Al-Dairi, and the Canadian Ambassador to Iraq, W.M. Weynerowski. The Minister noted "this joint visit following the sale is further evidence of the improving trade relations between Canada and Iraq."

- 30 -

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IMMÉDIATE

Subject/Sujet

L'IRAQ ACHETE 3 500 AUTRES VOITURES A GENERAL MOTORS

T14/81

OTTAWA, le 29 avril 1981 - Le ministre d'État au Commerce, l'Honorable Edward C. Lumley, a annoncé aujourd'hui, conjointement avec la General Motors du Canada Ltée, à l'occasion d'une visite de l'usine de cette société à Oshawa, la vente de 3 500 voitures particulières modèle Malibu 1981, à l'Iraq, pour une somme de \$30 millions. Ces 3 500 voitures s'ajoutent aux 10 000 autres du même modèle dont la vente avait été annoncée le 18 mars et qui avaient représenté l'un des plus importants contrats d'exportation de voitures particulières jamais accordés au Canada. Ensemble, ces deux contrats représentent une transaction de \$120 millions.

Ces commandes fourniront de l'emploi supplémentaire d'une durée de quatre semaines à 2,800 travailleurs de l'usine d'assemblage et aussi de l'emploi supplémentaire dans une même proportion chez les fournisseurs de General Motors. Le contrat porté également sur la fourniture de pièces de rechange et une aide technique.

Le ministre a félicité le groupe de l'expansion des marchés de General Motors pour son initiative et les efforts qu'il a faits pour remporter cette commande, qui prouvent une fois de plus que les entreprises canadiennes peuvent exporter leurs produits dans les pays du Moyen-Orient et dans les autres parties du monde, avec l'aide du gouvernement canadien.

Le ministre a déclaré qu'il s'agit là d'un excellent exemple des résultats que permettent d'atteindre sur les marchés mondiaux très concurrentiels les initiatives de collaboration entre le secteur privé et le gouvernement.

L'Ambassadeur d'Iraq au Canada, Son Excellence Abdo A. Al-Dairi, et l'Ambassadeur du Canada en Iraq, M.W.M. Weynerowski, participaient avec M. Lumley à la visite de l'usine d'Oshawa. M. Lumley a fait remarquer que cette visite effectuée à la suite des ventes de voitures à l'Iraq démontrait nettement l'amélioration des relations économiques entre le Canada et l'Iraq.

- 30 -

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IMMEDIATE

Subject/Sujet

TRADE MINISTER SUPPORTS CANADIAN EXHIBITORS AT MAJOR U.S. TRADE SHOWS

T 17/81

OTTAWA, May 6, 1981 -- The Hon. Edward C. Lumley, Minister of State for Trade, will be visiting the Food Market Institute (FMI) Trade Fair in Dallas and the Offshore Technology Conference (OTC) Trade Fair in Houston this week, supporting exhibits of Canadian expertise in these two major trade shows.

The OTC is the world's largest annual international exposition of offshore technology with attendance last year of 87,000. Last year at OTC Canadian exhibitors sold over \$29 million in marine and oil high technology equipment and services. The Minister's visit is to enhance this exposure of Canadian exhibitors which has enabled them to gain wide acceptance in export markets within a relatively short time. This year there will be approximately 30 companies in the Canadian national stand, as well as exhibits from Alberta and Newfoundland.

The FMI Trade Fair, featuring all products sold in supermarkets and retail outlets in North America, a \$220 billion market, is the most important show of its kind. The Canadian exhibit will include 25 suppliers of a cross section of products ranging from spices to ready-to-serve meals, as well as non-food products such as barbecue starters and fireplace logs.

In addition to his role at these exhibits, Mr. Lumley will meet with and speak to prominent Texas businessmen, industrialists, financial executives and public officials as part of a program to increase awareness of Canada as a reliable supplier of top quality

goods and services and to emphasize the important bilateral economic and commercial relationship existing between the two countries.

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10:00 a.m.

Subject/Sujet

HON. HERB GRAY SIGNS MEMO OF UNDERSTANDING WITH BAYLY ENGINEERING LTD.

ITC 30/81

OTTAWA, May 8, 1981 - The Hon. Herb Gray, Minister of Industry, Trade and Commerce, and J. von Wrangel, Chairman of the Board of Bayly Engineering Limited, of Ajax, Ont. and member of the Board of AEG-Telefunken, today announced the signing of a Memorandum of Understanding that will see a buildup of the company's activities in product design, development, production and export in selected product areas. Bayly Engineering is a subsidiary of AEG-Telefunken of West Germany.

The guiding principle of the Understanding will be the creation of new products complementary to those of other parts of AEG-Telefunken. Product responsibility, including world-wide marketing, will rest with the Canadian company, although the technical and marketing expertise of the parent company will be at all times available to Bayly.

The company expects that up to 1,000 jobs are to be created in Canada in the high technology areas of the electrical and electronics industry.

Mr. Gray said the goals, specific activities, and achievements will be reviewed periodically by his department and AEG-Telefunken/Bayly to maintain the schedule toward agreed goals in the light of changing market forces.

In signing the understanding, Mr. Gray noted his satisfaction with the plan, including the continued independent operation of Bayly Engineering.

- 30 -

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10:00 a.m.

Subject/Sujet

LE MINISTRE GRAY SIGNE UN PROTOCOLE D'ENTENTE
AVEC BAYLY ENGINEERING LTD.

ITC 30/81

OTTAWA, le 8 mai 1981 -- Le ministre de l'Industrie et du Commerce, l'honorable Herb Gray, et le président du conseil d'administration de Bayly Engineering Limited d'Ajax, en Ontario, et membre du conseil d'administration de AEG-Telefunken, M. J. von Wrangel, ont annoncé aujourd'hui la signature d'un protocole d'entente; cet accord permettra d'amplifier les travaux de la société quant à la conception, au développement, à la production et à l'exportation de produits dans des secteurs choisis. La société Bayly Engineering est une filiale de AEG-Telefunken de la République fédérale d'Allemagne.

Le principe directeur du protocole d'entente vise la création de nouveaux produits complémentaires à ceux d'autres établissements de AEG-Telefunken. La responsabilité de ces produits, ainsi que leur commercialisation mondiale, incomberont à la société canadienne. Toutefois, les compétences techniques et commerciales de la société-mère seront en tout temps à la disposition de Bayly.

La Compagnie prévoit pouvoir créer jusqu'à 1000 emplois au Canada, dans les secteurs de haute technologie de l'industrie de l'électricité et de l'électronique.

M. Gray a précisé que les buts, les activités précises et les réalisations seront examinés périodiquement par son ministère et AEG-Telefunken/Bayly afin de respecter l'échéancier des objectifs convenus dans le contexte de l'évolution des forces du marché.

Alors qu'il signait le protocole d'entente, M. Gray s'est déclaré satisfait du plan ainsi que du maintien de l'autonomie opérationnelle de Bayly Engineering.

- 30 -

POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A:

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IMMEDIATE

Subject/Sujet

NIGERIAN TRANSPORT MINISTER VISITS CANADA

T 19/81

OTTAWA, May 13, 1981 - The Honourable Edward C. Lumley, the Minister of State for Trade, today officially welcomed to Canada the Honourable Alhaji Umaru Dikko, the Minister of Transport for the Federal Republic of Nigeria.

Minister Dikko's visit follows on Prime Minister Trudeau's visit to Nigeria in January and Minister Lumley's trade mission to Nigeria in April. During the latter, Minister Lumley promoted Canadian business proposals now before Nigerian Ministers responsible for Commerce, Mines and Power, Aviation, Defence, Transportation, Industries, Communications, Internal Affairs and Education. Specific contracts finalized during that visit included \$40 million in evaporated milk sales and \$1.8 million for railroad equipment.

Nigeria has budgeted \$5 billion for improvements in their internal transportation system over the next four years. Of specific interest to Canada are proposals for a new 900 kilometer railway line, some 1200 items of rolling stock, \$1.5 billion for port and river improvements, and urban rapid transit systems for Lagos and Abuja. Minister Dikko is visiting Canada at Minister Lumley's invitation to see first hand Canadian equipment and expertise in these areas.

Nigeria is one of Canada's fastest growing markets in Africa. Canadian visible trade with Nigeria more than doubled in 1980 to \$102 million and this trend is expected to continue. Because of its oil resources, ambitious national development plans, and large population, Nigeria is the largest potential market in Africa.

Minister Dikko's program includes calls in London, Toronto, Kingston, Cornwall, Ottawa and Montreal. He will depart for Nigeria April 15.

- 30 -

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IMMÉDIATE

Subject/Sujet

LE MINISTRE DES TRANSPORTS DU NIGERIA EN VISITE AU CANADA

T 19/81

OTTAWA, le 13 mai 1981 -- Le ministre d'État au Commerce, l'honorable Edward C. Lumley, a accueilli officiellement aujourd'hui au Canada le ministre des Transports de la République fédérale du Nigeria, l'honorable Alhaji Umaru Dikko.

La visite au Canada de M. Dikko fait suite à la visite qu'effectuait le premier ministre Trudeau au Nigeria, en janvier dernier, et à celle que le ministre Lumley a effectuée dans ce même pays en avril dernier, à la tête d'une mission commerciale. Au cours de cette dernière visite, le ministre Lumley s'était consacré à promouvoir des propositions de sociétés canadiennes qui sont maintenant soumises aux ministres nigériens du Commerce, des Mines et de l'Energie, de l'Aviation, de la Défense, des Transports, des Industries, des Communications, des Affaires intérieures et de l'Education. Les contrats signés au cours de la visite de M. Lumley portent sur la vente de lait évaporé pour une somme de \$40 millions, et sur la vente de matériel ferroviaire d'une valeur de \$1,8 million.

Le Nigeria a établi un budget de \$5 milliards en vue de l'amélioration au cours des quatre prochaines années de son système de transport intérieur. Les propositions touchant une nouvelle ligne ferroviaire de 900 kilomètres, la fourniture de 1,200 unités de matériel ferroviaire roulant, des améliorations portuaires et fluviales de l'ordre de \$1,5 milliard et des systèmes de transport urbain rapide pour les villes de Lagos et Abuja intéressent tout particulièrement les sociétés canadiennes.

M. Dikko est au Canada à l'invitation de M. Lumley, et il se familiarisera avec le dernier cri de ce que le Canada peut offrir dans les secteurs en cause.

Le Nigeria est l'un des marchés du Canada qui s'accroît le plus en Afrique. Le commerce visible du Canada avec le Nigeria a plus que doublé en 1980, atteignant \$102 millions, et l'on s'attend à ce que cette tendance se poursuive. Grâce à ses ressources pétrolières, à ses ambitieux plans de développement et à sa forte population, le Nigeria est le plus important marché potentiel de toute l'Afrique.

M. Dikko se rendra à London, Toronto, Kingston, Cornwall, Ottawa et Montréal. Il retournera au Nigeria le 15 mai.

- 30 -

POUR DE PLUS AMPLES RENSEIGNEMENTS:

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W.D. GORDON (613) 996-5736

Subject/Sujet

MAY 26 1981

For release/Pour publication

IMMEDIATE

LICENSING OF THE SUGARCANE SEPARATION TECHNOLOGY

IT&C 31/81

Ottawa, May 13, 1981 - The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that agreement has been reached with all parties involved in the dispute concerning the licensing of the Tilby-Miller sugarcane separation technology. The Minister said that the agreement would allow increased effort to be placed on the development of world markets for this technology aimed at substantial future benefits to Canada in terms of increased exports.

The separation process, which was conceived by two Canadian inventors, Mr. S.E. Tilby and Mr. R.B. Miller, involves the mechanical separation of the inner sugar-bearing pith of the sugarcane stock from its hard outer rind. This revolutionary process not only offers a low cost alternative to the traditional crushing processes employed in the production of sugar from sugarcane, but also makes possible the economic production of a number of valuable by-products, including livestock feed, fibreboard and lumber substitutes. The Crown acquired ownership of certain of the patent rights to the technology in 1975 when the federally-supported company, established by the inventors to commercially exploit their inventions, became bankrupt.

Under the terms agreed to, Intercane Systems Inc., a subsidiary of Continental-Arvid Enterprises Inc. (formerly Arvid Machine and Tool Company, Ltd.) and Hawker Siddeley Canada Inc., will be granted equal rights to manufacture and sell separation process equipment for use in the production of all end products. Also, the licensing agreements will now run for an additional five years, to January 1, 1991, and royalty payments will also be made on the sale of ancillary processing equipment as well as on the separation equipment. Previously, Arvid had the rights to manufacture and market equipment for use solely for the production of livestock feed while Hawker

Siddeley had exclusive rights to all other applications. Canadian Patents and Development Limited (CPDL), the Crown corporation responsible for the patenting and licensing of Crown-owned technology, has obtained agreement from Hawker Siddeley to acquire back from Hawker Siddeley its exclusive rights and the option to purchase the patent rights.

Mr. Tilby and Mr. Miller, who will be retained by CPDL as consultants to further the development and promotion of the technology, have also agreed to withdraw their legal suits against CPDL and the Crown in respect of their claim for damages and their repudiation of the agreements with CPDL under which they had assigned their rights in the patents to that Corporation. The inventors had taken this action in view of their concern that the dispute between Arvid and Hawker Siddeley and CPDL was seriously delaying the commercial marketing of the technology.

These agreements will cost the federal government approximately \$725,000 as approved by Parliament in Supplementary Estimates "C" on March 25, 1981.

FOR FURTHER INFORMATION CONTACT:

Mr. W.D. Gordon, Vice President
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For release/Pour publication

SATURDAY MAY 16 1981

Subject/Sujet

TRADE MINISTER LUMLEY TO VISIT ROMANIA AND CZECHOSLOVAKIA

T 21/81 - Revised*

OTTAWA, Saturday May 16, 1981. Trade Minister Ed Lumley leaves today for a one week trip to Romania and Czechoslovakia.

Mr. Lumley will be in Romania between May 17 and 19 to sign a Long Term Economic Agreement calling for an expansion of economic and industrial cooperation between the two countries in such areas as machine building, electrical and electronics, nuclear energy, mining and metallurgy, agriculture and consulting engineering. He will support the efforts of Atomic Energy of Canada Limited and Canadian companies in supplying equipment and services for the Romanian nuclear power programme. The successful sale of the first of a number of expected sales of CANDU reactors to Romania will lead to exports from Canada worth up to \$1 billion and to a dramatic increase* in our bilateral trade which in 1980 amount to \$60 million. During his meeting with Romanian Ministers Mr. Lumley will also discuss trade policy issues and future trade prospects.

Between May 19 and 21, he will visit Prague and Bratislava in Czechoslovakia, a country with which we had a bilateral trade of \$190 million in 1980. He will promote the efforts of Canadian firms bidding on a number of turnkey projects valued at approximately \$750 million. Czechoslovakia is a growing market for Canadian livestock, foodstuffs, electronic and machinery products; opportunities for increased exports in these sectors will be pursued during the visit. While in Czechoslovakia Mr. Lumley will be meeting with Ministers of the Federal, Czech Republic, and Slovak Republic, governments.

- 30 -

FOR FURTHER INFORMATION CONTACT:

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For release / Pour publication

SAMEDI LE 16 MAI 1981

Subject / Sujet

LE MINISTRE D'ÉTAT AU COMMERCE VISITE LA ROUMANIE ET LA TCHÉCOSLOVAQUIE

T 21/81 - Reviser*

OTTAWA, Samedi, le 16 mai 1981 -- Le ministre d'État au Commerce, M. Ed Lumley, entreprend un voyage d'une semaine en Roumanie et en Tchécoslovaquie.

M. Lumley sera en Roumanie du 17 au 19 mai, afin de signer une entente économique à long terme destinée à accroître la coopération économique et industrielle entre le Canada et ce pays, dans des domaines comme la fabrication de machines, l'électricité et l'électronique, l'énergie nucléaire, les mines et la métallurgie, l'agriculture et les services d'experts-conseils. Il secondera les efforts d'Énergie atomique du Canada Ltée et de sociétés canadiennes qui tentent d'obtenir des contrats pour la fourniture de matériel et de services dans le cadre du programme d'énergie nucléaire de la Roumanie.

Le Canada espère vendre un certain nombre de réacteurs CANDU à ce pays. La première vente entraînera des exportations, en *provenance du Canada, d'une valeur de près de \$1 milliard et une augmentation spectaculaire de notre commerce bilatéral qui s'est élevé en 1980 à \$60 millions. Au cours de son entretien avec les ministres roumains, M. Lumley discutera aussi de politiques commerciales et des perspectives des échanges commerciaux.

M. Lumley visitera Prague et Bratislava en Tchécoslovaquie, du 19 au 21 mai, pays avec lequel nous avons eu un commerce bilatéral de \$190 millions en 1980. Le ministre tentera de promouvoir les efforts des sociétés canadiennes qui ont fait des offres dans le cadre de plusieurs projets clés en main d'une valeur approximative de \$750 millions. La Tchécoslovaquie est un marché croissant pour les produits de l'élevage, les denrées alimentaires, les produits d'électronique et de machinerie; la possibilité d'augmenter les exportations dans ces secteurs fera l'objet de nombreux entretiens au cours de cette visite. Pendant son séjour en Tchécoslovaquie, M. Lumley rencontrera des ministres du gouvernement fédéral et des républiques tchèque et slovaque.

- 30 -

POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADDRESSER A:

T.D. Marr

Division de l'Europe de l'Est

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JUN 5 1981

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For release/Pour publication

FRANÇOISE GIRARD

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IMMEDIATE

Subject/Sujet

SMALL BUSINESS AND TOURISM MINISTER TO OPEN CONTACT '81 IN HALIFAX

SB 7/81 Revised*

OTTAWA, May 26th, 1981 - Small Business and Tourism Minister Charles Lapointe will participate at the official opening of CONTACT '81 at 8:30 a.m. in the Halifax Metro Centre on Wednesday, May 27, 1981.

CONTACT '81 is a series of six "inverted trade shows," organized by the federal Department of Supply and Services in conjunction with other federal government departments, and 64 companies which have been awarded, from the federal government over the past two fiscal years, contracts with a total value of \$1½ billion. The total sales of these 64 companies amounted to over \$14 billion dollars in 1979.

The prime contractors at CONTACT '81 will not display their products for potential buyers. In fact, the reverse is the case; the items and processes they are exhibiting are aimed at showing exactly what they sub-contract to suppliers. They will be seeking new suppliers with new ideas to help boost the amount of Canadian content in their end products.

CONTACT '81 is part of the Canadian Business Sub-Contracting Opportunities Program. It is designed to increase the access for smaller firms to government sub-contract awards.

"It is a long standing policy and practice of the federal government to award its contracts to Canadian sources of supply. When it is necessary to contract "offshore," the government enters into agreements that require approximately the same amount of work to be sub-contracted within Canadian industry to offset the value of the contract going outside the country," Mr. Lapointe said.

"I am going to CONTACT '81 in Halifax to stress to Canadian small businesses the opportunities that exist for them as a result of the purchasing power of the federal government," Mr. Lapointe added.

FOR FURTHER INFORMATION CONTACT:

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For release/Pour publication

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IMMEDIATE

Subject/Sujet

**LITTON SYSTEMS CANADA LIMITED WINS \$30.6 MILLION CONTRACT
FOR CF-18 HORNET**

ITC 33/81

TORONTO, May 27, 1981 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today that an initial contract for \$30.6 million has been awarded to Litton Systems Canada Limited by Kaiser Electronics of San Jose, California.

Mr. Gray said that the contract qualifies as an industrial benefit to Canada under the terms of the federal government's agreement with McDonnell Douglas for the procurement of 138 CF-18 aircraft for the Canadian Armed Forces.

Kaiser Electronics is a major supplier to Hornet prime contractor McDonnell Douglas Corp. of St. Louis. McDonnell Douglas said this contract could lead to the establishment of Litton Canada as a major second-source display producer for the U.S. Navy, U.S. Marine Corps, and other Hornet operators.

"This contract which will permit Canadian Forces to obtain a depot-level support capability in Canada is expected to result in hundreds of jobs in Canada over the next 15 years," Mr. Gray said.

Litton Canada will begin delivering the first of about 120 head-up display units and 274 multipurpose display units in February 1983. Head-up display and multipurpose display units are important parts of the Hornet's advanced cockpit, replacing many traditional gauges with television-like cathode ray tubes.

Initial metal cutting for the first CF-18 Hornet has begun at the McDonnell Aircraft Division plant in St. Louis, with the first CF-18 expected to be delivered to Canada in October 1982. Deliveries are to continue through 1988.

Litton Systems Canada is located in Rexdale, Ontario. The company recently turned over the first inertial navigation system to the U.S. Navy for the U.S. Cruise Missile Program. This project, with expected sales of over \$1 billion over the program's 12 year period, was made possible by financial assistance provided by the Department of Industry, Trade and Commerce through its Defence Industry Productivity Program.

FOR MORE INFORMATION, CONTACT:

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Contact / Liaison
D. SOLLOSY (613) 996-1880

For release / Pour publication

9:00 p.m.

Subject / Sujet

JAPANESE AUTO EXPORTS TO CANADA

IT&C 34/81

OTTAWA, June 4, 1981 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce said in a statement this evening:

"I have received today from the Honourable Rokusuke Tanaka, the Minister of International Trade and Industry of Japan, a letter setting out the measures which the Japanese Ministry of International Trade and Industry is taking regarding the export of automobiles to Canada.

"I welcome Minister Tanaka's letter and the initiative he is taking which fulfills the agreement between Prime Minister Suzuki and Prime Minister Trudeau on May 9, on the importance of an early resolution of the question for the increasingly close relationship between Canada and Japan. I would also like to express my particular satisfaction at the personal attention given to this matter by Minister Tanaka during the series of discussions between officials of both countries which preceded the Japanese action.

"The Government is satisfied that the measures outlined in Minister Tanaka's letter (attached) responds to the concerns we have expressed regarding the potential harm to the Canadian automobile industry arising out of the measures instituted by Japan on May 1, 1981, regarding their exports of automobiles to the United States. Essentially the Japanese action encompasses the following features:

- The Japanese are instituting a marketing program for passenger vehicle exports to the Canadian market under which they have forecast that exports to Canada for the period April 1, 1981 to March 31, 1982 will not exceed 174,213 units. This represents a rollback of six per cent, from the level of shipments over the 12 months April 1980 to March 1981 of 185,022 units and deals with the rapid increase in imports which developed over the past several months. At the same time it allows for

a 10 per cent increase over the level of shipments in the calendar year 1980.

- The need for a level of further restraint is to be reviewed by Japan in consultation with Canada before the end of the first year. In that event, we have indicated that we would envisage a provision for growth. The growth factor would be based on the Japanese share of the Canadian market over the last 12 months (April 1980 to March 1981) which was 16.5 per cent. That is the same growth factor as that applying to Japanese exports to the U.S.
- The possible need for an understanding for 1983/84 is left in abeyance for later consideration.
- Regarding the export of "non-passenger-car" automobiles, it is my understanding that the moderation to be exercised will be such that the effect of the Japanese forecasting system will not be eroded.

The action Japan is taking should provide a breathing space for the Canadian automotive industry to complete its restructuring plans and convert its operations to the new generation of fuel efficient vehicles.

"I would repeat my appreciation of the understanding shown by Japan and am pleased that this matter has been resolved in a way which will strengthen the good relations between Canada and Japan."

June 4, 1981

Dear Mr. Gray,

Under instructions from my home Government, it is my pleasure to convey the following message to you from His Excellency Rokusuke Tanaka, Minister of International Trade and Industry of Japan:

"Excellency,

Recalling that both of our countries' Prime Ministers have agreed on the importance of an early resolution of the automobile question to further facilitate the increasingly close relations between our two countries, I urged my officials to continue constructive discussions on this matter with officials of the Canadian Government.

I understand that, through a series of meetings and discussions, both sides expressed the following views:

1) The Japanese side understands that the Canadian side has a profound interest in this matter and recognizes that the automotive industry plays an important role in Canada.

2) Following an announcement on May 1, 1981, the Government of Japan has taken temporary and exceptional measures on passenger car exports to the United States of America. These measures were adopted while taking into account the difficulty that the U.S. automotive industry was facing and with the assumption that efforts of self-help will be made both within the U.S. Government and the private sector. The Canadian side recognizes that the measures taken by Japan will have a favourable impact on the North American automotive industry.

3) Nevertheless, the Canadian side expressed serious concern over the impact which a sharp increase of Japanese passenger car exports to Canada would have on the Canadian automotive industry for the period of April 1, 1981 through March 31, 1984.

With a view to alleviating these concerns of Canada and as an exceptional case, I would like to inform you as follows:

- 1) MITI forecasts that Japanese passenger car exports (defined in JAMA statistics) to Canada during the period of April 1, 1981 to March 31, 1982 will increase moderately. This kind of forecast is obtained by appealing to the individual automobile companies to exercise prudence in their exports and then gathering the export plans from them.

MITI forecasts that the level of Japanese passenger car exports to Canada during the period of April 1, 1981 to March 31, 1982 will not exceed the level of exports in the 1980 calendar year by more than 10 percent -- and, for your reference, will be equivalent to the level lower than that of the period of April 1, 1980 to March 31, 1981.

The Honourable H. Gray, P.C., M.P.
Minister of Industry, Trade and Commerce
Government of Canada

Page 2

June 4, 1981

- 2) Prior to the end of the first year, through an exchange of views on the passenger car market situation with the Canadian authorities, MITI will decide whether to continue this "weather forecast" system in the following year.
- 3) Regarding "non-passenger-car" automobiles (non-passenger-car automobiles refer to that category of vehicles classified under "commercial vehicles" in JAMA statistics, but as "passenger cars" in Canadian import statistics), MITI will ask the automobile companies to exercise moderation in their exports of this type of vehicle to the Canadian market.

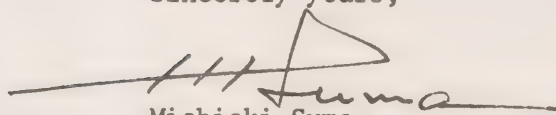
Yours sincerely,

(signed)

Rokusuke Tanaka
Minister of International
Trade and Industry."

With best regards,

Sincerely yours,



Michiaki Suma
Ambassador

The Honourable H. Gray, P.C., M.P.
Minister of Industry, Trade and Commerce
Government of Canada

O T T A W A

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F.R. HARRIS

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For release/Pour publication

IMMEDIATE

Subject/Sujet

EXPORT OPPORTUNITIES WITH THE INTER-AMERICAN DEVELOPMENT BANK

T 24/81

OTTAWA, June 4, 1981 - The Hon. Edward C. Lumley, Minister of Trade, announced today an opportunity for Canadian business and industry to get first-hand advice on how to go after export opportunities in Latin America and the Caribbean financed by the Inter-American Development Bank (IDB), Washington, D.C.

Three one-day seminars sponsored by the Department of Industry, Trade and Commerce will be held in June with presentations on projects in the energy, industrial and mining sectors; on the IDB's operations and activities; and on how to do business with this bank. During the seminars, IDB executives will be available for private interviews.

Interested individuals or corporations should contact the Regional Office of the Department of Industry, Trade and Commerce in their province for information on registering for the seminars. The cost is \$35.

Seminars will be held in Montreal on June 8, in Toronto on June 10, and in Vancouver on June 12. The luncheon speakers will be the Hon. Pierre Bussières, Minister of State (Finance) in Montreal; Senator J.M. Godfrey in Toronto; and Senator Ray Perrault, Government Leader in the Senate, in Vancouver.

This will be the third seminar program on international development banks in the past year. In September 1980 a similar series of seminars was held on the Asian Development Bank. This was followed by a World Bank seminar on Oil and Gas in Alberta in October 1980.

Since joining the IDB in 1972, Canada has contributed \$239.1 million. By contrast, Canadian procurement during this period amounted to only \$82.4 million. This represents \$.35 back in procurement for each dollar of contribution, compared with \$.48 for the United States, \$1.02 for the United Kingdom, \$2.05 for France, \$2.70

for Germany, and \$2.94 for Japan. One of the main reasons for Canada's poor record is that Canadian firms, especially manufacturers, are not bidding on projects financed by the IDB.

In 1980, the Inter-American Development Bank approved loans of over \$2 billion for projects in the energy, transportation, communications, mining, agriculture and other sectors.

Our procurement record to date indicates that we are not taking advantage of the opportunities in sectors where we have an international capability.

"I am confident that once Canadian business people are more aware of the opportunities the IDB provides and have a better understanding of how to work with the Bank, they will successfully compete for a fair share of this market," Mr. Lumley said.

FOR FURTHER INFORMATION CONTACT

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W.S.D. HENDRY

995-0497

For release/Pour publication

IMMEDIATE

Subject/Sujet

SMALL BUSINESS LOANS TOTAL ALMOST \$120 MILLION, JANUARY-MARCH 1981

SB 8/81

OTTAWA, June 8, 1981 -- The Minister of State (Small Business and Tourism), the Honourable Charles Lapointe, today announced preliminary figures for lending reported under the Small Businesses Loans Act for the period January 1, 1981 to March 31, 1981. 4,249 loans were made during the period amounting to \$119,173,449. This compares with 3,105 loans for \$75,132,749 made during the same period in 1980, an increase of 58.6% in dollar value.

Under the legislation, a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million per year may obtain loans from a chartered banks and other designated lenders. The loans are to be used to purchase fixed or moveable equipment, purchase or build premises, modernize existing facilities or purchase land used in the operation of a business.

Loans must be secured and may be repayable over a period of up to 10 years. The maximum of all loans that may be outstanding to any one borrower at any one time is \$100,000. The maximum interest that maybe charged on these loans is bank prime plus 1%. The rate fluctuates with the bank's prime for the term of the loan.

The Small Businesses Loans Act came into effect in Janaury, 1961. Since then, to the end of March, 1981, more than 87,000 loans have more than 87,000 loans have been made totalling over \$1.567 billion.

- 30 -

FOR FURTHER INFORMATION, CONTACT:

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LOANS MADE UNDER THE SMALL BUSINESSES LOANS ACT
FOR THE PERIOD JANUARY 1, 1981 TO MARCH 31, 1981

	THIS QUARTER JANUARY 1981 to MARCH 1981		LAST YEAR TO SAME DATE JANUARY 1980 TO MARCH 1980		PERCENTAGE INCREASE/ DECREASE	
	NO.	AMOUNT \$	NO.	AMOUNT \$	#	\$
BRITISH COLUMBIA	1,191	36,120,094	867	20,483,850	+ 37.4	+ 76.3
ALBERTA	415	10,766,239	342	8,153,265	+ 21.3	+ 32.0
SASKATCHEWAN	238	6,530,112	207	5,271,165	+ 15.0	+ 23.9
MANITOBA	126	3,240,450	121	3,497,820	+ 4.1	- 7.4
ONTARIO	756	22,872,678	492	12,302,921	+ 53.7	+ 85.9
QUEBEC	1,325	33,630,900	919	22,375,693	+ 44.2	+ 50.3
NEW BRUNSWICK	68	1,872,020	71	1,377,936	- 4.2	+ 35.9
NOVA SCOTIA	48	1,326,157	35	670,416	+ 37.1	+ 97.8
PRINCE EDWARD ISLAND	19	746,146	13	195,885	+ 46.2	+280.9
NEWFOUNDLAND	52	1,687,440	26	592,026	+100.0	+185.0
YUKON	10	375,057	9	111,972	+ 11.1	+235.0
NORTHWEST TERRITORIES	1	6,156	3	99,800	- 66.7	- 93.8
TOTALS	4,249	119,173,449	3,105	75,132,749	+ 36.8	+ 58.6

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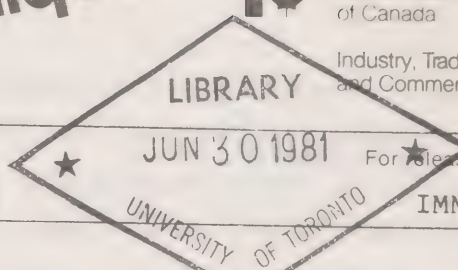
Contact/Liaison

P. CAMPBELL

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Subject/Sujet

TRADE MINISTER TO VISIT JAPAN



For release - Pour publication

IMMEDIATE

T 26/81 OTTAWA, June 16, 1981 -- The Hon. Ed Lumley, Minister of Trade, is visiting Japan June 16 to 21 to promote Canadian exports specifically to further the upgrading of traditional resource exports.

Mr. Lumley will attend the Canada/Japan Housing Committee meeting and participate in the first ITC-sponsored Canadian Telecommunications Equipment mission to Japan since that country officially opened its doors to non-Japanese suppliers to the state-owned Nippon Telegraph and Telephone.

Also in keeping with the theme developed at the Pacific Rim Conference held in Vancouver last fall, Mr. Lumley will be exploring possibilities of mutual co-operation, or joint ventures, with third countries in the Pacific region by meeting with the Japanese committee of the Canada/Japan Businessmen's Co-operation Committee, the Osaka Chamber of Commerce and the Japan Machinery Exporters Association, among others.

Canada had a \$1.5 billion surplus last year in two-way trade with Japan. Mr. Lumley said, however, that there are still many opportunities to be exploited. He cited the recent agreement on government procurement, which allows Canadian suppliers to bid on Japanese government contracts. Business with the Nippon Telegraph and Telephone, for instance, could be worth more than \$3 billion.

Mr. Lumley will be meeting the Japanese Minister of Construction to promote Canadian-style wood frame (2x4) housing. In 1977 Canadian exports of softwood lumber, a large part of which goes into 2x4s, were worth \$180 million; last year they were worth \$500 million.

One of Canada's major promotional efforts in Japan has been the series of solo trade shows at the Canada Trade Centre in Tokyo. Since January 1979, more than 7,000 Japanese business visitors have attended 23 trade shows, which have generated \$55 million in new exports sales from Canada. Mr. Lumley will be the first Canadian Trade Minister to visit the centre.

For further information, contact:

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TRADE MINISTER TO VISIT JAPAN

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JUN 30 1981

IMMEDIATE

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T 26/81 OTTAWA, June 16, 1981 -- The Hon. Ed Lumley, Minister of Trade, is visiting Japan June 16 to 21 to promote Canadian exports specifically to further the upgrading of traditional resource exports.

Mr. Lumley will attend the Canada/Japan Housing Committee meeting and participate in the first ITC-sponsored Canadian Telecommunications Equipment mission to Japan since that country officially opened its doors to non-Japanese suppliers to the state-owned Nippon Telegraph and Telephone.

Also in keeping with the theme developed at the Pacific Rim Conference held in Vancouver last fall, Mr. Lumley will be exploring possibilities of mutual co-operation, or joint ventures, with third countries in the Pacific region by meeting with the Japanese committee of the Canada/Japan Businessmen's Co-operation Committee, the Osaka Chamber of Commerce and the Japan Machinery Exporters Association, among others.

Canada had a \$1.5 billion surplus last year in two-way trade with Japan. Mr. Lumley said, however, that there are still many opportunities to be exploited. He cited the recent agreement on government procurement, which allows Canadian suppliers to bid on Japanese government contracts. Business with the Nippon Telegraph and Telephone, for instance, could be worth more than \$3 billion.

Mr. Lumley will be meeting the Japanese Minister of Construction to promote Canadian-style wood frame (2x4) housing. In 1977 Canadian exports of softwood lumber, a large part of which goes into 2x4s, were worth \$180 million; last year they were worth \$500 million.

One of Canada's major promotional efforts in Japan has been the series of solo trade shows at the Canada Trade Centre in Tokyo. Since January 1979, more than 7,000 Japanese business visitors have attended 23 trade shows, which have generated \$55 million in new exports sales from Canada. Mr. Lumley will be the first Canadian Trade Minister to visit the centre.

For further information, contact:

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Industrie
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For release/Pour publication

IMMEDIATE

Subject/Sujet

MONTREAL FIRM GETS \$816,750 DIPP GRANT

ITC 37/81 MONTREAL, June 19, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce announced today that IMW Industries Inc., of Montreal, has been awarded a grant of \$816,750 under IT&Cs Defence Industry Productivity Program to set up a production line for its new "Mini Cut" line of end mills. The announcement was made today on Mr. Gray's behalf by Gerald Laniel, Parliamentary Secretary to the Minister.

The federal grant will enable IMW to acquire the high technology computer numerical control machine tools necessary to establish a modern production line for its products and look after a substantial portion of the market. This grant is in line with efforts of the federal Department of Industry, Trade and Commerce to encourage the establishment and continuing development of Canada's high technology industry.

As a result of this federal government assistance IMW is expected to increase its sales by an estimated \$15 million over the next five years, of which 80 per cent will be for export.

The company's principal product is a revolutionary cutting tool design recognized in the machining industry as a major contributor to improved productivity, tool life and cost savings.

The company was founded in 1963 and has established a reputation as a supplier of quality cutting tools. Most of the prime aerospace manufacturers in North America are customers. Employment in the company numbers about 80 and is expected to reach 250 by 1985.

- 30 -

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IMMÉDIATE

Subject/Sujet

UNE FIRME DE MONTRÉAL OBTIENT UNE SUBVENTION DU DIP DE \$816 750

ITC 37/81 MONTRÉAL, 19 juin 1981 -- Le ministre de l'Industrie et du Commerce, l'honorable Herb Gray, a annoncé aujourd'hui que la firme IMW Industries Inc., de Montréal, a obtenu une subvention de \$816 750 dans le cadre du programme de productivité de l'industrie du matériel de défense d'I et C, pour entreprendre la production en série de son assortiment de fraiseuses "Mini-Cut". C'est le secrétaire parlementaire du ministre, M. Gérard Laniel, qui a annoncé la nouvelle aujourd'hui en son nom.

La subvention fédérale permettra à la firme IMW d'acquérir les machines-outils informatisées à commande numérique appliquant une technologie de pointe nécessaires pour mettre en place une chaîne moderne de production de ses articles et desservir une part appréciable du marché. Cette subvention concorde avec les efforts déployés par le ministère de l'Industrie et du Commerce pour encourager l'implantation et le développement continu d'une industrie appliquant des technologies de pointe au Canada.

Grâce à l'aide fédérale obtenue, la firme IMW devrait pouvoir accroître ses ventes d'une somme estimative de \$15 millions au cours des cinq prochaines années. Quatre-vingt pour cent de cette somme représenteraient des exportations.

Le principal produit de la firme IWM est un outil de coupe de type révolutionnaire qui a, dans l'industrie des machines-outils, la réputation de contribuer beaucoup à accroître la productivité ainsi que la durée des outils, et de permettre des économies.

La compagnie, fondée en 1963, est renommée comme fournisseur d'outils de coupe de qualité. La plupart des fabricants de matériel aérospatial en Amérique du Nord sont ses clients. Elle emploie environ 80 personnes et ce nombre devrait passer à 250 en 1985.

- 30 -

POUR PLUS DE RENSEIGNEMENTS, CONTACTER:

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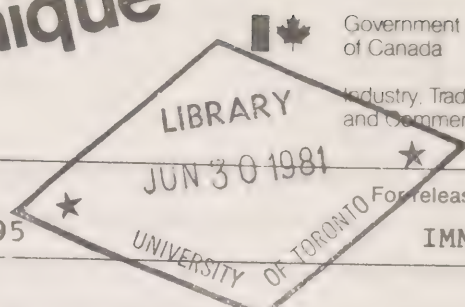
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et Commerce

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MISS ASTRID PACHER (613) 996-9195

Subject/Sujet

TRADE MISSION TO REPUBLIC OF KOREA



For release/Pour publication

IMMEDIATE

T 27/81 OTTAWA, June 19, 1981 -- The Hon. Ed Lumley, Minister of Trade, will head a trade mission of senior federal government officials to the Republic of Korea on June 21. Representatives of Canadian industry will join the mission during its five-day stay in the country.

The mission reflects the importance of Canada/Korea trade, which has grown rapidly in the last few years to become a significant segment of each country's international commerce. In particular, Korea has one of the world's most ambitious nuclear power construction programs and Mr. Lumley will emphasize Canadian interest in the sale of a second CANDU nuclear reactor to Korea. Construction of the first CANDU reactor sold to Korea is proceeding well and is scheduled for completion in 1982.

Two-way trade between Canada and Korea exceeded \$900 million in 1980, with Canada enjoying a small surplus for the first time in 10 years. Korea is Canada's third largest Asian market, importing large amounts of coal, wood pulp and other raw materials, as well as important shipments of telecommunications equipment, office machinery, and mining and construction equipment.

Two months ago, in April, the Korean Minister of Commerce and Industry, the Hon. Suh Suk Joon, visited Canada and talks that were begun then will be continued.

During his stay, Minister Lumley will call on Korean President Chun Doo Hwan and meet the Korean Ministers of Agriculture, Energy and Resources, Communications, the Minister responsible for the Economic Planning Board and the President of the Korea Electric Company.

In addition to the sale of additional CANDU reactors, Mr. Lumley will discuss further sales of telecommunication equipment, ways to end the restrictions on access for Canadian grains, and consideration of the purchase of Canadian aircraft.

During the latter half of his stay Mr. Lumley will undertake an industrial tour of Korea. He will visit the construction site of the CANDU reactor being built near Wolsung, visit Korea's newest world-class shipyard being completed on Koje Island, and tour the modern steel works at Pohang, a major Canadian coal customer.

Mr. Lumley will be accompanied by senior officials of Industry, Trade and Commerce, External Affairs and Export Development Corporation. Companies to be represented include Atomic Energy of Canada Limited, Canatom Inc., Canadian Marconi, De Havilland Aircraft of Canada Limited, and the Council of Forest Industries of British Columbia.

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For release/Pour publication

IMMEDIATE

Subject/Sujet

MINISTERIAL STATEMENT RE EDP GRANT TO NORPAK

IT&C37/81

OTTAWA, June 23, 1981 -- The Minister of Industry, Trade and Commerce, the Honourable Herb Gray, made the following statement today:

"This is an appropriate occasion to announce that my department is awarding \$1.7M to NORPAK through the Enterprise Development Program (EDP), for the development of a family of core products for TELIDON. These products are an essential element of NORPAK's growth plans as announced today.

"This contribution from EDP is my department's first under the augmented TELIDON program. It is derived from a \$27.5M increase for the program provided by the federal government and administered by ITC and the Department of Communications. These two departments have been working together to create an environment for Telidon that will see its development and growth increasingly supported by private sector investment.

"It is a great satisfaction to me to be able to make this announcement at the ceremony marking Noranda-Maclaren's decision to invest in NORPAK Limited of Ottawa.

"I congratulate NORPAK and Noranda-Maclaren on their commitment to the commercial exploitation of the Canadian-developed TELIDON technology, which for Noranda is part of its commendable involvement currently with other high technology firms such as MITEL and LUMONICS.

"In my view, today's announcements provide an excellent example of government and industry cooperation. Working together, we are building up Canada's high technology industry and, in this particular case, assuring Canada of a strong position in the information industry of the future."

- - - - -

EDP is an ITC program that assists eligible companies in Canada to improve their capabilities to produce new and competitive products.

NORPAK, through its ongoing R&D programs has become the leading manufacturer of TELIDON products in Canada and abroad. A privately owned Canadian company based in Pakenham, Ontario, NORPAK was founded in 1975 by the Norton family. The company produces graphic display products ranging from TELIDON equipment to high performance imaging systems. It has sub-licensed other Canadian firms to manufacture and integrate TELIDON technology into their products.

TELIDON, developed in the Department of Communication's laboratories, is a second generation videotex technology. Its superior capability and performance has been demonstrated worldwide. At the Videotex '81 Conference held recently in Toronto, an extended version of the TELIDON technology was adopted by the American Telephone and Telegraph Co. (AT&T) and others, making TELIDON virtually the North American and worldwide standard.

Products that NORPAK will develop under the sponsorship of the EDP grant include the next generation (Mark 4) TELIDON decoder modules and terminals, communication interfaces, and a new generation of information provider terminals.

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For release/Pour publication

1:30 p.m.

Subject/Sujet

GM SELLS 92 RAILWAY LOCOMOTIVES TO EGYPT

T 28/81

LONDON, ONTARIO -- June 23. 1981 -- The sale of 92 railway locomotives to Egypt has been announced by Charles Turner, M.P. on behalf of the Honourable Ed Lumley, Minister of State for Trade, and by John C. Larmond, Vice President, General Motors of Canada Limited and General Manager of Diesel Division, London.

Valued at \$100 million, the contract also includes spare parts. Delivery is scheduled to begin during the last quarter of the year. This order marks the fourth time the Egyptian Railway Organization has chosen Diesel Division locomotive power and will bring to almost 200 the number of units supplied from the London plant.

The negotiations for the sale were brought to a successful conclusion by Minister Lumley and P.G. Brewer, General Sales Manager of Diesel Division during a trade mission to Cairo earlier this year. As with previous locomotive sales to the Egyptian Railway Organization, this order is supported by a Canadian Government financing package. It is anticipated that the loan agreements will be finalized and signed in the near future.

In making the announcement, Mr. Turner stated that Minister Lumley considers this repeat sale as an indication of the confidence which the Egyptian Railway Organization has shown in Canadian locomotives and demonstrates the international competitiveness and quality of the London built product.

While the order will not create any new jobs in the Diesel Division, it will enable the plant operations to continue at the present level of production.

- 30 -

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For release/Pour publication

13h30

Subject/Sujet

GM VEND 92 LOCOMOTIVES A L'EGYPTE

T 28/81

LONDON, ONTARIO -- le 23 juin 1981 -- La vente de 92 locomotives à l'Egypte a été annoncée par le député Charles Turner, au nom de l'honorable Ed Lumley, Ministre d'Etat au commerce, et par John C. Larmond, vice-président de General Motors du Canada Limitée, et gérant général de la "Diesel Division" à London.

Ce contrat, évalué à \$100 millions, comprend aussi les pièces de rechange. La livraison doit commencer au cours des trois derniers mois de l'année. Cette commande de locomotives est la quatrième que l'Egyptian Railway Organization place auprès de la "Diesel Division" et elle porte le total d'unités fournies par l'usine de London à près de 200.

C'est au cours d'une récente mission commerciale au Caire que le Ministre Lumley et P.G. Brewer, gérant des ventes de la "Diesel Division" ont signé ce contrat. Comme c'est le cas pour les ventes précédentes de locomotives, cette commande a reçu l'appui financier du gouvernement canadien. Les ententes pour le prêt devraient être conclues et signées sous peu.

Au cours de sa déclaration, M. Turner a dit que pour le Ministre Lumley cette vente prouve la confiance que l'Egyptian Railway Organization porte aux locomotives canadiennes, et démontre notre compétitivité sur le plan international et la qualité des produits fabriqués à London.

Cette vente ne créera pas de nouveaux emplois mais permettra cependant à l'usine de continuer sa production au niveau actuel.

- 30 -

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For release/Pour publication

IMMEDIATE

Subject/Sujet

KOREAN AIRLINES PURCHASES CANADIAN FLIGHT SIMULATOR

T 29/81

SEOUL, KOREA, June 24, 1981 -- Canada's Minister of State for Trade, the Honourable Ed Lumley, announced today that the Export Development Corporation (EDC) has concluded a \$(US)6,821,647 financing agreement to support an \$(US)8.05 million sale by CAE Electronics Ltd. of Saint-Laurent, Quebec, to Korean Airlines Co. Ltd. The transaction involves the sale of one B747 flight simulator, including on-site installation, calibration and support services.

CAE Electronics Ltd., a wholly-owned subsidiary of CAE Industries Ltd. of Toronto, manufactures aircraft flight simulators, air traffic control systems, and process control and monitoring systems for the oil, gas and electric power industries.

Korean Airlines Co. Ltd. operates a fleet of 34 aircraft consisting of Boeing 747s, 727s, and 707s, DC-10s and A300s.

EDC is a Canadian Crown Corporation that provides a wide range of insurance and bank guarantee services to Canadian exporters and arranges credit for foreign buyers in order to facilitate and develop export trade.

- 30 -

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IMMEDIATE

Subject/Sujet

KOREAN AIRLINES ACHETE UN SIMULATEUR DE VOL CANADIEN

T 29/81

SEOUL, COREE, le 24 juin 1981 -- Le Ministre d'Etat au Commerce du Canada, l'honorable Ed Lumley, a annoncé aujourd'hui que la Société pour l'expansion des exportations (SEE) a conclu un accord financier de \$(E.-U.)6,821,647 pour faciliter une vente de \$(E.-U.)8,05 millions de la CAE Electronics Ltée de Saint-Laurent (Québec), aux Korean Airlines Co. Ltd. Le marché porte sur un simulateur de vol B747, y compris l'installation sur place, l'étalonnage et les services de soutien.

CAE Electronics Ltée, une filiale en propriété exclusive de CAE Industries Ltée de Toronto, fabrique des simulateurs de vol d'aéronefs, des systèmes de contrôle de circulation aérienne, ainsi que des systèmes de régulation et de surveillance de procédés pour les industries du pétrole, du gaz et de l'électricité.

Les Korean Airlines exploitent une flotte de 34 avions comprenant des Boeing 747, 727 et 707, des DC-10 et des A300.

La SEE est une société de la couronne du Canada qui offre une vaste gamme de services d'assurance et de garantie bancaire aux exportateurs canadiens et arrange le crédit pour les acheteurs étrangers afin de faciliter et développer le commerce à l'exportation.

- 30 -

POUR PLUS DE RENSEIGNEMENTS, S'ADRESSER A:

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Subject/Sujet

**GOVERNMENT WILL ASSIST FINANCIALLY-TROUBLED
CONSOLIDATED COMPUTER INC.**

ITC 40/81

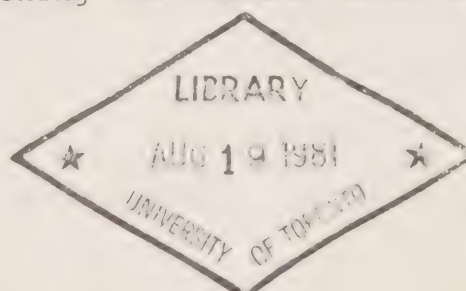
OTTAWA, June 25, 1981 -- The federal government is taking steps to facilitate the restructuring of Consolidated Computer Inc. (CCI) the Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today.

The government will refinance loans carried by the company and its associated lease vehicle, which are insured by the Enterprise Development Board. This will enable CCI to carry out the business plan developed by the interim management installed in mid-1980.

Mr. Gray said that, after consultations with other major shareholders and private interests, the government has decided that the sale of Crown-owned shares in CCI to the private sector is the most cost effective solution to the problems faced by the company over the years and would preserve the benefits of an important member of the Canadian computer industry. The plan is to achieve this transfer to the private sector by December 31, 1981.

The federal government is committed to developing and maintaining a strong Canadian high technology capability. CCI has achieved some notable successes in the development of world competitive technology and in the export of substantial volumes of its products to foreign markets.

Both government and private interests recognize the valuable contribution that CCI's capability is making to the rapidly expanding computer-based office equipment industry and to the redressing of Canada's widening and serious trade deficit in computer products.



Problems involved in adjusting to rapid technology changes in the computer field and developing effective marketing strategies were causes of Consolidated Computer Inc.'s earlier financial difficulties.

Mr. Gray expressed confidence in the present management of CCI which has achieved the major elements of a turnaround with a three-year business plan; a vigorous program of cost cutting and sales stimulation; and technical, marketing and manufacturing subcontracts negotiated with major Original Equipment Manufacture customers.

FOR FURTHER INFORMATION CONTACT:

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CONSOLIDATED COMPUTER INC. (CCI)

BACKGROUND

Founded in 1968, Consolidated Computer Inc. is one of the largest Canadian-owned and controlled manufacturing companies in the computer field. It specializes in data entry systems and small business terminals.

From its beginning the company has experienced financial difficulty in getting established in an industry subsector where growth has been spectacular, the evolution of technology explosive, and international competition intense.

In spite of its financial difficulties, CCI represents an important part of the Canadian computer industry. It has the reputation of a leader in computer data entry software development and enjoys a first class reputation as a quality manufacturer of hardware equipment. It provides a nucleus of highly trained people. It has and can make a major contribution to Canada's exports of computer products.

In 1980, CCI's management was released and an interim management team installed.

Although CCI earned modest profits in 1977 and 1978, it again incurred heavy losses in 1979. The principal cause was failure of management to recognize and take corrective action to deal with rapid changes in the commercial, financial and market environments in which the company operated.

The new management instituted extensive cost cutting and reorganization and revitalization of sales and marketing. Extensive plans have been developed to move the company out of the costly end user marketing into more efficient OEM agreements for marketing outside Canada.

A comprehensive business plan has been prepared which identifies a product development and marketing strategy.

The Federal Government holds 49 per cent of CCI shares, the Government of Ontario has 12 per cent; Fujitsu Limited of Japan 24 per cent, and the remainder are publicly held.

CCI is one of a number of Canadian companies that the Government has been encouraging to develop computer capability in selected areas. Its data entry capability and distributed processing capability and its plans to move into the automated office equipment area complement the initiatives of other Canadian companies in this field. Most of these companies occupy a unique niche in the computer field where they do not come into head-on competition with the large multinational corporations.

Canada's trade position in computer products has reached a negative imbalance in excess of \$1 billion which, with the anticipated future growth of the computer based office, is projected to grow to more than \$5 billion in the next few years unless new initiatives are taken.

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AUG 18 1981

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LAWRENCE ZINMAN

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For release / Pour publication

IMMEDIATE

Subject / Sujet

ENTERPRISE DEVELOPMENT PROGRAM ASSISTANCE FOR APRIL 1981

ITC 41/81

OTTAWA, June 25, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today in the third of a new series of releases that the central and regional boards of the Enterprise Development Program approved in April 50 applications for assistance, making available \$38,118,316 for industrial development projects throughout Canada.

The central EDP Board authorized 19 awards worth \$36,877,784, of which \$20,844,300 was for 11 adjustment projects and \$16,033,484 was for eight innovation projects. Regional boards authorized 31 awards totaling \$1,240,532, of which \$649,800 was for six adjustment projects and \$590,732 was for 25 innovation projects.

Beginning with this news release the Department of Industry, Trade and Commerce is reporting assistance offered by this program in a new way.

Under a new policy which came into effect April, 1981, companies accepting EDP offers will be listed, giving location, the type of assistance, the dollar value, and the purpose of the assistance. While assistance will not be listed by company at the offer stage, the number and total program dollar value of assistance and acceptances will be given as before.

Under the Enterprise Development Program, adjustment awards are in the form of loan insurance for reorganization, plant expansion, equipment modernization and working capital or contributions for engaging consultants to develop proposals for restructuring projects.

Innovation awards are contributions for product development, design, productivity improvement and identification of new products and for project proposals.

EDP is a wide-ranging program of assistance primarily to small and medium size businesses. Applications for assistance of up to \$200,000 from firms with sales of \$5 million or less are handled by regional boards in each province. All other applications are handled by the central board.

Following are offers accepted by companies during April:

ADJUSTMENT ASSISTANCE

Roadrunner Sportswear Ltd.
Moncton, New Brunswick

Insurance of 90 per cent of a \$100,000 term loan to provide working capital required to finance increased production and sales. This assistance is expected to generate additional sales of \$370,000 over the next three years and five full-time jobs.

INNOVATION ASSISTANCE

Craftique Furniture Ltd.
Campbellton, New Brunswick

A contribution of \$39,375 representing 75 per cent of eligible costs to assist in a study by consultants of the company's manufacturing methods and organization in order to improve productivity.

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British Columbia and Yukon	(604) 666-1434
Alberta and Northwest Territories	(403) 420-2944
Saskatchewan	(306) 359-5020
Manitoba	(204) 949-2381
Ontario	(416) 369-4951
Quebec	(514) 283-6254
New Brunswick	(506) 452-3190
Prince Edward Island	(902) 892-1211
Nova Scotia	(902) 426-7540
Newfoundland	(709) 737-5511

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For release/Pour publication

IMMEDIATE

Subject/Sujet

MICROELECTRONICS CENTRES OF TECHNOLOGY

IT&C 39/81

TORONTO, June 26, 1981 - The Honourable Herb Gray, Minister of Industry, Trade and Commerce (ITC) today announced the establishment of Microelectronics Centres of Technology, with financial support from his department, at six Canadian universities.

Centres will be located at the University of Toronto, the University of Sherbrooke, the University of Manitoba, the University of Alberta, and the University of British Columbia. The sixth centre will be in the Atlantic region and discussions are being held with universities there concerning the location.

Each centre will be funded \$1 million over five years by ITC, and will provide technical assistance to industry in their regions in the application of microelectronics to their products and manufacturing processes. The universities chosen have existing capabilities in the industrial application of microelectronics and are accessible to the industries that will make use of their services.

The establishment of these Centres of Technology is a key part of ITC's Microelectronics Support Program, the overall objective of which is to encourage the manufacture of microelectronic devices and their application to all sectors of industry.

The Microelectronics Support Program is also designed to assist Canadian companies with the initial use of microelectronics in their operations or products. The program, applications for which can now be made through the Electrical and Electronics Branch of IT&C and its Regional offices across Canada, will first pay for the cost of a consultant's study up to a maximum contribution of \$10,000.

If the study concludes that the adoption of microelectronics by the manufacturer is feasible, the manufacturer

may then apply for a contribution towards the necessary development. ITC may contribute up to 75 per cent of the eligible costs of the development, up to a maximum contribution of \$100,000.

In making the announcement, Mr. Gray stressed that the productivity and competitiveness of all Canadian industry sectors will be enhanced by the effective use of microelectronics.

"The common perception of microelectronics being confined to the computer room is no longer true, now that the electronic chip can control processes and products ranging from resource industries to consumer goods. In the new area of Computer Aided Design and Computer Aided Manufacturing, or CAD/CAM, the electronic chip helps design products and then runs the machinery to manufacture them.

"Canada must stay in the vanguard of new industrial applications of microelectronics to ensure that we remain competitive in world markets," Mr. Gray said.

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SEP 23 1981

Contact/Liaison

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For release/Pour publication

IMMEDIATE

Subject/Sujet

CANADIAN CONSULTANTS AWARDED MAJOR ARGENTINA PROJECT

T 48/81 OTTAWA, September 11, 1981 -- A Canadian consortium of Montreal based consultants have been awarded a contract for engineering services for the \$1½ billion Limay Medio hydro project in Argentina, Minister of State for Trade, Ed Lumley, announced today. Under the contract the consortium will provide in excess of \$20 million of engineering services. Potentially, the contract could lead to a multi-million dollar opportunity for the sale of Canadian manufactured goods for the project.

Minister Lumley visited the client, HIDRONOR (Hidroelectrica Norpatagonica S.A.) of Cipoletti, Argentina, in September 1980 with the principals of the consortium, and followed up with Argentina's Secretary of State for Energy in support of the consortium's proposal.

The consortium, CANSORT, consists of Shawinigan Engineering Company Limited, Lavalin International Inc., Rousseau, Sauvé, Warren Inc., and Hydro-Québec International. Shawinigan is the sponsor of the engineering services under this contract, which will be carried out in association with the Argentine firm of consultants, INCONAS Servicios Profesionales de Ingenieria S.R.L. of Buenos Aires.

The initial services to be provided by CANSORT-INCONAS consortium include optimization studies, preliminary design, final design, and the preparation of tender and prequalification documents. One of the alternatives to be optimized consists of two hydro-electric developments on the Limay River; the 360 MW Pici Picon Leufo Development and the 560 MW Michihaubo Development.

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IMMÉDIATE

Subject / Sujet

UN GROUPE DE CONSULTANTS CANADIENS DÉCROCHE UN IMPORTANT CONTRAT EN ARGENTINE

T 48/81 OTTAWA, le 11 septembre, 1981 -- Un groupe de consultants montréalais a décroché un important contrat pour des services d'ingénierie dans le cadre d'un projet de \$1,5 milliard, Limay Medio Hydro, en Argentine. C'est ce qu'a annoncé aujourd'hui, l'honorable Ed Lumley, ministre d'État (Commerce). Selon les termes de ce contrat, le groupe fournira des services d'ingénierie évalués à \$20 millions. Ce contrat peut également apporter des ventes de biens canadiens pouvant se chiffrer à plusieurs millions.

Le ministre Lumley a visité ce client, HIDRONOR (Hidroelectrica Norpatagonica S.A.) à Cipoletti en Argentine en septembre dernier. Il était accompagné à cette occasion des principaux dirigeants de ce groupe. M. Lumley a par la suite eu des entretiens avec le Secrétaire d'État à l'Energie pour l'Argentine afin d'appuyer la demande du groupe.

Ce groupe, CANSORT, réunie les compagnies suivantes: Shawinigan Engineering Company Ltd., Lavalin International Inc., Rousseau, Sauvé, Warren Inc., et l'Hydro-Québec International. La compagnie Shawinigan est le promoteur de ces services d'ingénierie qui seront effectués en collaboration avec un groupe de consultants argentins, INCONAS Servicios Profesionales de Ingenieria S.R.L. de Buenos Aires.

Les services initiaux offerts par CANSORT-INCONAS comprennent des études d'optimisation, du design préliminaire, du design final ainsi que la préparation de soumissions et de documents de pré-qualification. Une des possibilités consiste en 2 projets hydro-électriques sur la rivière Limay le 360 MW Pici Picon Leufo et le 560 MW Michihaubo.

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(61 SEP 29 14685

IMMEDIATE

Subject / Sujet

HALIFAX FIRM WINS INITIAL \$1.77 MILLION CF-18 CONTRACT

ITC 49/81

OTTAWA, September 11, 1981 -- Following is the statement made today by the Hon. Herb Gray, Minister of Industry, Trade and Commerce, at I.M.P. Group Ltd., Halifax, Nova Scotia.

"The success of the Aerospace Manufacturing Division of I.M.P. in winning an initial \$1.77 million contract from McDonnell Aircraft Company gives me a great deal of satisfaction. The potential contract value for 806 sets could exceed \$24 million.

"Awarding of this contract to a competitive Canadian firm results from a contractual commitment by McDonnell Douglas U.S. to place \$2.9 billion in industrial benefits in Canada, especially in the high technology sector, to offset the \$3.4 billion purchase price of the CF-18's Canada is buying from it. I.M.P. was assisted in its negotiations with McDonnell Aircraft by the Aerospace Industrial Benefits Directorate of my department.

"The contract is for manufacture of part of the electronic wiring system for the F-18 Hornet. Each Hornet contains numerous wiring harnesses used to interconnect avionics equipment in the airframe.

"I.M.P. Aerospace will produce 19 of these harnesses for each aircraft which are among those currently being made by McDonnell Aircraft and which represent a cross-section of harness size and complexity.

"In all, I.M.P. will be supplying wiring harnesses for each of 89 Hornets, that is 1,691 harnesses. Production in fiscal year 1982/83 will be to supply harnesses for 29 aircraft, and in 1983/84 for a further 60. Value of the contract in the first year is approximately \$655,000, and in the second \$1.11 million.

"Approximately 30 new workers will be required in the first year, the company tells me, and an additional 30 in the second year. If the contract is extended to a third year it is probable that some 40 additional workers would be needed. Several I.M.P. employees will go to McDonnell Aircraft's St. Louis facility for training in the new technology.

"Besides its monetary and employment value, this contract will provide I.M.P. Aerospace Manufacturing with new technology capability that will permit it to go after additional business in both the aerospace and the commercial electronics and electrical sectors where the potential over the next 10 to 15 years is estimated to be \$50 million.

"In addition, this contract qualifies I.M.P. to compete for the CF-18 harness maintenance, repair and overhaul support that will be required by the Department of National Defence throughout the operational life of the aircraft.

"Because of the complexity of the manufacturing process and the quality control required for these wiring harnesses the company has to acquire new machinery. My department is helping it to do so under the Defence Industry Productivity Program. I am pleased to announce that I.M.P. has received a grant of \$72,796 towards the cost of purchasing testing and quality assurance equipment.

"This is the first major contract awarded to I.M.P. Aerospace under the CF-18 industrial benefits program; the company has a \$6 million contract commitments with Lockheed as an offset from the CP-140 Aurora program.

"I congratulate the Aerospace Manufacturing Division for achieving this contract, and extend my optimistic best wishes for future new business that the new technology it is acquiring will surely bring."

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IMMEDIATE

Subject / Sujet

THE IMPACT OF THE OIL PRICING AGREEMENT ON SMALL BUSINESSES

SB 12/81 OTTAWA, September 14, 1981 -- The Hon. Charles Lapointe, Minister of State (Small Business and Tourism) is confident that the recently signed oil-pricing agreement between the federal government and the Province of Alberta will cause a general upswing in economic activities and business investments which will create many opportunities for small and medium sized businesses in Canada.

Mr. Lapointe made this statement during a special meeting with a group of journalists last Friday in Vancouver. The Minister is touring the country to explain the major issues to be addressed at the forthcoming 8th International Symposium on Small Business to be held in Ottawa from October 19-22.

Mr. Lapointe said, "The energy agreement clears the air of uncertainty and now permits businesses and industries to plan ahead while at the same time improving and increasing industrial activities. It also means that the planning of mega projects can resume."

A great number of small businesses will benefit from increased oil and gas exploration and development activities. The recently published Federal Government Industrial and Regional Benefits Objectives stresses the importance for capable small and medium scale enterprises to have access to opportunities generated by these kinds of projects within the Canadian market. The Federal Government will ask owners/sponsors of major projects (generally those requiring expenditures of \$100 million or more) to adopt and demonstrate policies and principles in their corporate behaviour so that full opportunity to participate in major projects in Canada is accorded to small and medium enterprises in all industrial sectors.

The Minister also said, "The oil pricing agreement will give to the numerous sectors of the Canadian economy a much better

position to capitalize on the increased business opportunities that will result from improved economic performance and business confidence. This should eventually strengthen our dollar and lower the interest rate. The way is now clear for small and medium sized companies to gear up for increased activity in the mega energy boom that lies ahead."

This coming energy boom (\$300 billion worth of investment) will require enormous transfusions of capital, equipment, skilled and/or professional manpower. These resources and other capital projects expected for the 80s will provide opportunities for Canada's manufacturing and service sector (equipment needs alone could reach \$100 billion).

Mr. Lapointe was optimistic about the future of the small business sector in Canada. The Federal Government, he said, is committed to developing a national industrial strategy to serve this country well through the 80s. "In developing this strategy, we are giving particular attention to the small business sector because it is a powerful engine for economic revival."

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IMMEDIATE

Subject / Sujet

INDUSTRY, TRADE AND COMMERCE EDB LOAN INSURANCE TO QUEBEC FIRM

IT&C 50/81 ST-HYACINTHE, September 21, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that his department is providing loan insurance of \$2.25 million through its Enterprise Development Program, to Sodispro Technologie Ltee of St-Hyacinthe, Quebec, in order to help the company to set up a new plant.

The 69,000 square foot plant is one of the most modern of its kind in the world and is the first to produce both lactose and protein concentrate under one roof. Located in an area that produces 55 per cent of all the cheese in Canada, the Sodispro plant will absorb 50 per cent of the surplus by-product from the cheese factories in the St-Hyacinthe region.

Sodispro has its raw materials supplies under long-term contracts and has contracts to sell all that it can produce in the next seven years, primarily to Japan and the Republic of Korea. The company will employ 50 workers in the new plant, with an expected increase to 73 in the second year of operation.

Sodispro Technologie converts surplus cheese by-product into protein concentrate and lactose, using technology that was developed in Europe but which the company has refined to a more efficient and faster system that uses less energy and takes less floor space. The total investment by Sodispro is over \$20 million of which \$12 million is for processing equipment. Of this total, the Department of Regional Economic Expansion has contributed \$3.5 million.

A valuable extra benefit of the process is that it relieves a major pollution problem in the region of Quebec caused by the dumping of surplus by-product from cheese factories.

- 2 -

The success of the Sodispro facility could have a major impact on the dairy industry in Quebec and eventually throughout Canada.

- 30 -

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OCT 14 1981

IMMEDIATE

Subject/Sujet

CANADA/NEW ZEALAND TRADE AND ECONOMIC AGREEMENT

T 49/81 OTTAWA, September 25, 1981 -- The Canadian Minister of Trade, the Honourable Ed Lumley, and the New Zealand Minister of Overseas Trade, the Right Honourable Brian Talboys, signed today a new agreement on trade and economic co-operation between the Government of New Zealand and the Government of Canada. The new agreement, which replaces the 1932 Canada-New Zealand Trade Agreement, is scheduled to come into effect on 1 January, 1982.

Ministers Talboys and Lumley referred to the long-standing and friendly relationship between New Zealand and Canada and indicated that the new agreement would provide a framework for further strengthening economic co-operation between the two countries. They noted that both countries would maintain preferential tariff treatment for each other's products and have undertaken to provide compensation should one side's benefits under the agreement be impaired by increases in statutory duty rates or by any changes in other import restrictions. They also emphasized the importance they attach to the Consultative Committee established under the new agreement. This Committee would, in particular, be useful for promoting increased industrial and technological co-operation, including joint ventures between Canadian and New Zealand companies.

Mr. Lumley indicated that the Federal Government had consulted closely with Canadian industry and provinces prior to the renegotiation of the agreement and that there was widespread support for the continuation of preferential trade arrangements with New Zealand. "I am confident that the new agreement will constitute a positive framework within which Canadian businessmen can pursue

the many opportunities for trade and investment in the New Zealand market," Mr. Lumley said. He noted that New Zealand was embarking on a number of major resource development projects in which Canadian industry had demonstrated technological and export capabilities. Mr. Lumley recalled that he and the businessmen accompanying him had identified many such opportunities on their trip to New Zealand in May 1980.

Mr. Talboys noted that "The new agreement recognizes New Zealand's traditional agricultural trade interests and provides a framework within which New Zealand businessmen can diversify their export and joint venture interests in Canada." He also noted that a trade and investment mission to Canada in June, sponsored by the New Zealand Chambers of Commerce and the New Zealand Manufacturers' Federation, had identified exciting trade and investment opportunities. "I am sure these prospects will be followed up vigorously by New Zealand businessmen."

"Thus, the signing of the new agreement takes place in a climate of goodwill and interest on the part of government and businessmen in both countries, auguring well for expansion of trade and economic co-operation between Canada and New Zealand," said Mr. Talboys.

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IMMEDIATE

Subject- Sujet

NEW MARKET FOR NEWFOUNDLAND MACKEREL

T50/81

OCT 14 1981

OTTAWA, September 30, 1981 -- National Revenue Minister, Bill Romkey, announced today on behalf of the Hon. Ed Lumley, Minister for Trade, that the Fisheries Association of Newfoundland and Labrador has accepted an offer of up to \$750,000 under the Industry, Trade and Commerce Program for Export Market Development (PEMD) to assist it in the development of an export market strategy for Newfoundland mackerel in Nigeria.

Several months ago Mr. Lumley and the Hon. Romeo LeBlanc, Minister of Fisheries and Oceans, instructed their officials to undertake a detailed analysis which indicated a substantial and growing market available in Nigeria. The analysis showed that it would be essential to consolidate shipments and sales of Newfoundland mackerel through a common organization in order to achieve the volumes necessary for a viable enterprise. The Fisheries Association has agreed to act as the co-ordinator and to handle the necessary product assembly and shipping arrangements with the co-operation of the Association of Independent Producers of Newfoundland.

The Fisheries Association will also act as the selling agent, using a common packaging for the product.

Mr. Romkey and Mr. LeBlanc said that the Canadian mackerel industry has been operating at less than a quarter of its potential because of a lack of consumer demand. Fisheries experts estimate a potential annual catch of 120,000 tonnes in North American waters.

Mackerel is a popular fish in Nigeria, and there is a preference there for the Canadian product because of its larger size. It is anticipated that by 1986 the market could grow to be worth \$50 million to Canada.

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Mr. Lumley said the PEMD contribution will be proportional to the volume of mackerel exported under the project.

- 30 -

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★ IMMEDIATE

Subject/Sujet

DIPP APPROVALS IN MARCH, APRIL AND MAY

IT&C 52/81

OTTAWA, October 2, 1981 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce, announced today that his department provided financial assistance under its Defence Industry Productivity Program (DIPP) totalling \$60,322,495 during March, April and May.

Attached are lists of the companies that received DIPP assistance during March, April, and May, 1981, the amount of and, in most cases, the purpose of the assistance. The high number of approvals during March reflects an increase in DIPP funding.

During these three months, funds were provided under the three purposes of the program -- research and development, purchase of advanced technology production equipment, cost of becoming a qualified supplier -- to companies in British Columbia, Ontario, Quebec and Nova Scotia.

Mr. Gray emphasized that the primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a range of industry sectors -- electronics, transport, avionics, navigation equipment, space technology, metallurgy, engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related civil exports. For the purposes of DIPP, defence industry is defined as those companies or elements thereof which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related civil export sales.

In April, Mr. Gray announced Cabinet approval for an increase in the base funding for projects under \$10 million under DIPP from \$46 million in 1980-81 to \$70.3 million for the 1981-82 fiscal year, with provision for upward adjustments to take account of cost escalations expected over the next few years. (See background for details).

"We are increasing DIPP funding substantially because the program is one of the most effective industry-support mechanisms provided by the government", Mr. Gray said. "The whole program has been subjected to a rigorous evaluation which has shown among other things that every government dollar invested results in \$15 of advanced technology sales, 90 per cent for the export market."

MARCH

Contracts for research and development

Bell Aerospace Canada Textron Division of Textron Canada Ltd., Grand Bend, Ontario -- design of air cushion equipment transporter	\$ 529,000
CAE Electronics Ltd., Montreal -- development of flight simulators	\$4,607,666
Canadian Marconi Company, Montreal -- development of aircraft instruments	\$ 570,600
Dowty Equipment of Canada Ltd., Ajax, Ontario -- base technology and systems for aircraft landing gear	\$1,168,500
Garrett Manufacturing Limited, Rexdale, Ontario -- base technology and systems for aircraft temperature controls	\$8,000,000
micro-circuit manufacturing processes	\$ 178,841

Hermes Electronics Limited, Dartmouth, Nova Scotia -- component electronics for the Sonobouy	\$ 398,000
Leigh Instruments Ltd., Ottawa -- radar development	\$ 168,800
Litton Systems Canada Limited, Rexdale, Ontario -- radar development	\$1,757,063
Spar Aerospace Limited, Montreal -- terrestrial communications products	\$1,953,000
 Contracts to aid the purchase of advanced technology production equipment	
Aircraft Appliances and Equipment Limited Bramalea, Ontario --	\$ 140,712
Airborne Gear and Machine, Montreal --	\$ 114,519
Atlas Steels, A Division of Rio Algom Limited Welland, Ontario --	\$ 455,896
CAE Electronics Ltd St. Laurent, Quebec --	\$ 309,017
Cametoid Plating Limited Ajax, Ontario --	\$ 417,039
Canadian Aircraft Products Ltd. Richmond, British Columbia --	\$ 141,750
Canadian Marconi Company Montreal --	\$ 454,712
Chicopee Manufacturing Limited Kitchener, Ontario --	\$1,281,539
CPS Industries Montreal --	\$ 311,890
de Havilland Aircraft of Canada Limited Downsview, Ontario --	\$1,172,500
Dowty Equipment of Canada Ltd. Ajax, Ontario --	\$ 760,390
Graphico Precision Scarborough, Ontario --	\$ 312,442

Konar Corporation Scarborough, Ontario --	\$ 391,040
Precision Small Parts Limited Thornhill, Ontario --	\$ 414,050
Reil Industrial Enterprises Limited Rexdale, Ontario --	\$ 108,015
Vac-Aero International Inc. Oakville Ontario --	\$ 140,360
Valcom Limited Guelph, Ontario --	\$ 45,255
Walbar of Canada Inc. Mississauga, Ontario --	\$1,688,500
Weldco Limited Vancouver --	\$ 805,580
Westinghouse Canada Inc. Turbine and Generator Division Renfrew, Ontario --	\$5,000,000
W.S.W. Tool & Die Company Limited Kitchener, Ontario --	\$ 569,108

APRIL

Contracts for research and development

Canadian Marconi Company, Montreal -- military tactical relay systems	\$3,460,000
Spar Aerospace Limited, Montreal -- advanced products for communication satellites	\$2,250,000

Contracts to aid the purchase of advanced technology production equipment

Accurate Stamp, Hamilton, Ontario --	\$ 24,693
Exco Engineering, Division of Extrusion Machine Co. Ltd., Markham, Ontario --	\$ 492,693
Novatronics of Canada Limited Stratford, Ontario --	\$ 43,678

Contracts towards the cost of becoming a qualified supplier

Dowty Equipment of Canada Ltd., Ajax Ontario --
to establish as a qualified supplier of
design, development and systems for the
DASH-8 landing gear. \$3,491,642

MAY

Contracts for research and development

Canadair Ltd., Montreal - a drone development	\$ 12,666,000
CAE Electronics, Montreal - avionics development	260,922
Canadian Marconi, Montreal - radar development	327,546

Contracts to aid the purchase of advanced technology production equipment

Fisher Gauge Ltd., Peterborough, Ontario	\$ 20,611
Piccione Machine Tool and Gear, Toronto	280,000
Magna Electronics, Scarborough, Ontario	278,563
Invar Industries, St. Laurent, Quebec	324,500
Vicom, Kingston, Ontario	130,733
Les Ateliers Hochelaga, Inc. Montreal	262,564
Aviation Electric, St. Laurent, Quebec	303,230
Roladex, Longueuil, Quebec	179,288
Pratt & Whitney, Longueuil, Quebec	172,060
Epitech, Kanata, Ontario	83,462
Leigh Instruments, Carleton Place, Ontario	32,076
IMW Industries Inc., Montreal	816,750

Contract towards the cost of becoming a qualified supplier

Westfalia Industries, Kitchener, Ontario	\$ 55,700
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DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Funding Increases

The base funding for normal projects under DIPP has been increased from \$46 million in 1980-81 to \$70.3 million for the 1981-82 fiscal year. The new base will be adjusted upwards to take account of the cost escalation that can be expected to occur over the next few years. In 1982/83, for example, the base budget will be \$73.4 million.

The Cabinet also approved an additional \$40 million in 1980/81 and \$20 million for each of the fiscal years 81/82, 82/83 and 83/84 to cover the applications already received.

In addition to the base funding for normal projects, funds have been provided for particular major projects and these amounts will bring up the total of DIPP spending, for example, to \$121.3 million in 1980/81 and to \$151.6 million in 1981/82.

Modifications to Rules Governing DIPP

Direct interest-free loan facility under the capital assistance component has been eliminated. Capital assistance is now a maximum 50 per cent contribution and companies are expected to provide for the balance from their own resources or from borrowings from the private sector.

These loan funds have been converted into the base budget which allows the program to support a broader range of opportunities. When the loss of funds causes undue hardship to deserving cases, DIPP will be able to provide either loan guarantees or a greater contribution if it is justified.

Another modification causes proposals to be ranked in priority by their potential to achieve the goals of DIPP. The maximum level of assistance for larger projects may not always be provided. Instead, sharing ratios will be considered on a case-by-case basis through a process of negotiations between Industry, Trade and Commerce and the applicants.

Markets and marketing are being given much greater emphasis in DIPP's analysis of an applicant's projects. Marketing studies, pre-development and pre-production customer contacts and marketing testing, as well as outside marketing consultants fees, are now eligible for DIPP support.

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IMMEDIATE

Subject/Sujet

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE HOLDING WORKSHOPS
TO ASSIST SMALL AND MEDIUM SIZE BUSINESS IN ONTARIO

ITC 55/81

OTTAWA, October 6, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, and the Hon. Charles Lapointe, Minister of State (Small Business and Tourism), announced today that the Department of Industry, Trade and Commerce is holding a series of workshops for small and medium size manufacturers and processors throughout Ontario.

Officers of the Ontario Regional Office of ITC in Toronto who are conducting the workshops will explain the assistance available to businessmen under the various programs, such as the Enterprise Development Program and the Program for Export Market Development, administered by the Department, and will answer questions. Time is provided for private meetings with individual businessmen who wish to discuss their operations.

The workshops, which began late in September in Kitchener, Chatham and Orangeville, are being arranged with the co-operation of local officers of the Ministry of Industry and Tourism (Ontario), local Industrial Development Commissioners and the Chambers of Commerce.

Centres where final arrangements are being made for October and November meetings are shown on the attached lists.

Plans are now being made for workshops to be held in such Northern Ontario cities as Thunder Bay and Kenora in December.

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INDUSTRY, TRADE AND COMMERCE WORKSHOPS IN ONTARIO

October

5	-	London
6	-	Stratford
7	-	Tillsonburg
8	-	Ingersol
9	-	Woodstock
13	-	Kanata, Arnprior
14	-	Renfrew, Pembroke
15	-	Casselman, Alexandria
16	-	Gloucester, Nepean
20	-	Sarnia
22	-	Peterborough
28	-	Windsor, Burlington
30	-	Ottawa

November

2	-	Cornwall
3	-	Brockville
4	-	Kingston
5	-	Belleville
9	-	Smith Falls
10	-	Carleton Place
12	-	Trenton
16	-	Bancroft, Tweed
17	-	Orillia
18	-	Barrie
19	-	Collingwood
23	-	Midland
25	-	Goderich
26	-	Owen Sound
30	-	Parry Sound

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IMMEDIATE

Subject/Sujet

ENTERPRISE DEVELOPMENT PROGRAM ASSISTANCE FOR AUGUST 1981

ITC 57/81 OTTAWA, October 8, 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that the central and regional boards of the Enterprise Development Program (EDP) approved 65 applications for assistance in August, making available \$15,582,661 for industrial development projects throughout Canada.

The central EDP Board authorized 19 offers worth \$12,807,710, of which \$2,422,710 was for 12 innovation projects (including \$39,390 authorized under the Microelectronics Support Program by the Microelectronics panel of the board) and \$10,385,000 was for seven adjustment projects.

The regional boards in Alberta, Manitoba, Ontario, Quebec and Nova Scotia approved 46 projects totalling \$2,774,951 of which \$2,387,951 was for 43 innovation projects and \$387,000 was for three adjustment projects.

Under the Enterprise Development Program, adjustment awards are in the form of loan insurance for reorganization, plant expansion, equipment modernization and for working capital, or contributions for engaging consultants to develop proposals eligible for assistance.

Innovation awards are contributions for product development, design, productivity improvement, identification of new products and for project proposals.

EDP is a wide-ranging program of assistance primarily to small and medium size businesses. Applications for assistance of up to \$200,000 from firms with sales of \$5 million or less are handled by regional boards in each province. All other applications are handled by the central board.

Companies receiving EDP offers usually have 30 days in which to accept.

Following are offers accepted by companies during August:

EDP CENTRAL BOARD

INNOVATION AWARDS

Weld Process International Ltd.
Mississauga, Ontario

A contribution of \$339,000 representing 75 per cent of eligible costs to design and construct prototype equipment and to develop appropriate technology for narrow-gap welding of thick section steel plate. Estimated sales over the next three years are \$2,300,000. Additional employment of 10 people is expected.

Royal Plastics Limited
Weston, Ontario

A contribution of \$290,110 representing 75 per cent of eligible costs to develop a technique for the construction of an advanced type of vacuum sizing die. It is expected that the project will create 20 jobs by 1983 and bring in additional sales of \$2.5 million between 1983 and 1986.

Lunenburg Foundry and Engineering Ltd.
Lunenburg, Nova Scotia

Under the Microelectronics Feasibility Study, a contribution of \$10,000 representing 100 per cent of eligible costs to study the application of micro-electronic systems in the company's line of diesel propulsion systems and castings for marine applications.

ADJUSTMENT AWARDS

White Farm Equipment Canada Ltd.
Brantford, Ontario

A contribution of \$11,000 representing 50 per cent of eligible costs to assist this manufacturer of agricultural combines in a project exploitation study.

Ottawa Fibre Industries Ltd.
Ottawa, Ontario

Insurance of 90 per cent on a \$1,710,000 term loan to assist the company, a manufacturer of fibreglass insulators, to purchase additional equipment and to provide working capital. Sales are expected to increase by \$1 million annually.

Thorburmark Ltd.
Newmarket, Ontario

Insurance of 90 per cent on a \$100,000 term loan to assist this manufacturer of low pressure propane cylinders to purchase new equipment and to provide working capital. Company expects it will eventually require 36 additional employees and that sales will rise to \$2,496,000 in three years.

EDP REGIONAL BOARDS

British Columbia

INNOVATION AWARDS

Great Pacific Pant Co. Ltd.
Vancouver, British Columbia

A contribution of \$27,204 representing 75 per cent of eligible costs for this manufacturer of women's slacks, skirts and blazers to undertake a productivity improvement study.

A.T.S. Electro-Luke Ltd.
Vancouver, British Columbia

A contribution of \$82,875, representing 75 per cent of eligible costs to assist this manufacturer and distributor of automotive lubrication systems for heavy machinery to develop a battery-controlled and gas-operated automatic lubrication dispensing cartridge. Company expects to generate \$2 million in sales as a result of this project by 1983 and estimates that five to eight new jobs will be created.

ADJUSTMENT AWARD

Kanosak Manufacturing Inc.
Vancouver, British Columbia

A contribution of \$180,000 representing 90 per cent of eligible costs to provide working capital to help this manufacturer of ski garments to diversify its product lines. Company expects to double its workforce and its sales over the next years.

Alberta

INNOVATION AWARDS

Century Machine Company Limited
Calgary, Alberta

A contribution of \$13,875 or 75 per cent of eligible costs to assist this manufacturer of custom-machined thermowells with a productivity improvement study.

Rigtronics Systems Ltd.
Calgary, Alberta

A contribution of \$56,905 representing 75 per cent of eligible costs to assist this manufacturer of taxi meters to develop and market an advanced module. Company expects sales of \$3,850,000 over the next four years.

Manitoba

INNOVATION AWARDS

AKWAYAK Ltd. (Vis-Aid Devices)
Winnipeg, Manitoba

A contribution of \$31,275 representing 75 per cent of eligible costs for this manufacturer of teaching aids to develop educational models and charts to be sold as teaching aids. As a result of this assistance sales are expected to reach \$100,000 by 1982 and six new jobs should be created.

Futros Equipment Canada Ltd.
Winnipeg, Manitoba

A contribution of \$146,775 representing 75 per cent of eligible costs to enable this manufacturer of drilling equipment to develop an underground drilling rig for mining. It is anticipated that 18 new jobs will be created by 1986 and that sales will reach \$5 million by 1986.

Ontario

INNOVATION AWARDS

Aptec Engineering Ltd.
Donwsview, Ontario

A contribution of \$15,000 representing 62 per cent of eligible cost to develop a cooled germanium spectrometer. The project is expected to create 10 jobs and increase company sales by \$4.6 million over three years.

Hampton Industrial Equipment, Inc.
London, Ontario

A contribution of \$161,976 representing 75 per cent of eligible costs to develop a hydraulic gin pole crane. The project is expected to create 26 jobs and increase company sales by \$11,474,000 over three years.

Audon Communications Inc.
Ottawa, Ontario

A contribution of \$19,500 representing 75 per cent of eligible costs to design a mobile communications centre. The project is expected to create 55 jobs and increase company sales by \$4,250,000 over three years.

Viewstar Inc.
Scarborough, Ontario

A contribution of \$195,476 representing 75 per cent of eligible costs to develop a pay TV converter. The project is expected to create 165 jobs and increase company sales by \$35 million over five years.

Promedic Manufacturing Inc.
Toronto, Ontario

A contribution of \$27,701 as an addition to an earlier grant to develop an electronic medical instrument. The project is expected to create 12 to 15 jobs and increase company sales by \$6 million during the first two years.

Chicana Trading Co. Ltd.
Weston, Ontario

A contribution of \$30,255 representing 75 per cent of eligible costs to develop a shock-proof electric toaster. The project is expected to create 25 jobs and increase company sales by \$575 million in the first two years.

Quebec

INNOVATION AWARDS

Ateliers de Reliure de Saguenay/Lac St-Jean
Alma, Quebec

A contribution of \$14,700 representing 75 per cent of eligible costs of a productivity study.

Drain bec Gaz Ltée.
Alma, Quebec

A contribution of \$19,170 representing 75 per cent of eligible costs of a productivity study for this manufacturer of pipes for natural gas and cold water.

H.M. Côté Inc.
Boucherville, Quebec

A contribution of \$30,566 representing 75 per cent of eligible costs of a project to develop a machine to produce ear swabs. If the project is successful it would create between eight and 12 jobs and bring in additional sales worth 42 million over the first three years.

Cilvin Inc.
Charny, Quebec

A contribution of \$8,625 representing 75 per cent of eligible costs of a productivity study for this manufacturer of women's wear.

Le Groupe Pionnier Inc.
Evain, Quebec

A contribution of \$14,850 representing 75 per cent of eligible costs of a productivity study for this manufacturer of automobile hoists.

Kebec Controls Inc.
LaSalle, Quebec

A contribution of \$54,505 representing 75 per cent of eligible costs to assist in the development of a line of electronic regulators. The project, if successful, is expected to increase sales by \$1,350,000 over the first three years.

Les Armoire de Cuisine Canadiennes D.C. Inc.
Longueuil, Quebec

A contribution of \$18,540 representing 75 per cent of eligible costs of a productivity study for this manufacturer of household cupboards.

Acme Engineering Prod. Ltd.
Montreal Quebec

A contribution of \$99,004 representing 75 per cent of eligible costs to develop a detection and control system. The project is expected to increase company sales by \$1.2 million over the first two years and create one extra job.

American Furniture Co. Ltd.
Montreal, Quebec

A contribution of \$25,087 representing 75 per cent of eligible costs of a productivity study for this furniture manufacturer.

Decor Pop Inc.
Montreal, Quebec

A contribution of \$19,125 representing 75 per cent of eligible costs of a productivity study for this furniture manufacturer.

Lori-Lynne Fasions Inc.
Montreal, Quebec

A contribution of \$19,620 representing 75 per cent of eligible costs of a productivity study for this manufacturer of women's clothes.

Les Meubles Mont-Carmel Ltée
Mont-Carmel (Kamouraska) Quebec

A contribution of \$9,900 representing 75 per cent of eligible costs of a productivity study for this sawmill and furniture manufacturer.

D.A.P. Électronique Canada Ltée
Quebec, Quebec

A contribution of \$34,275 representing 75 per cent of eligible costs to develop an electronic water heater for automobiles. The project is expected to create five jobs the first year and increase company sales by \$2.6 million over the first four years.

Les Tisages Cateline Inc.
Quebec, Quebec

A contribution of \$6,450 representing 75 per cent of eligible costs of a productivity study for this weaving products firm.

Les Entreprise C.E. Gauthier Ltée
Senneterre, Quebec

A contribution of \$20,625 representing 75 per cent of eligible costs of a productivity study for this woodworking firm.

Les Équipements Tardif Inc.
St-Antonin (Rivière-du-Loup) Quebec

A contribution of \$56,250 representing 75 per cent of eligible costs to design and develop a transport trailer for peat moss. The project is expected to result in increased sales to the firm of \$730,000 over three years and to create two jobs in the first year and four in the second year.

Vitraplex Inc.
Ste-Foye, Quebec

A contribution of \$32,550 representing 75 per cent of eligible costs to design and develop domestic acrylic lamps. The project is expected to result in the creation of three jobs the first year and six in the second and third years and to increase company sales by \$800,000 over the first years.

Les Équipements Agricoles Proulx Ltée
St-Germain de Grantham, Quebec

A contribution of \$26,542 representing 75 per cent of eligible costs to develop a mixer/feeder for cattle and pig feed. The project is expected to create five jobs and increase company sales by \$1 million over five years.

Fernand Flamand Ltée
St-Henri (Lévis) Quebec

A contribution of \$24,000 representing 75 per cent of eligible costs of a productivity study for this manufacturer of custom interior doors.

Cadpro Consultants Ltd.
St-Laurent, Quebec

A contribution of \$29,250 representing 75 per cent of eligible costs to develop a computer graphics tutorial system for community colleges and universities. The project is expected to result in the creation of 18 jobs and increased company sales of \$2.6 million over four years.

Canadian Voice-Data Switchings Ltd.
St-Laurent, Quebec

A contribution of \$169,999 representing 75 per cent of eligible costs to develop a micro-processor controlled regulator to measure exact amounts of insulin as and when needed. The project is expected to result in 15 jobs and to increase company sales by \$3 million over the first three years.

Lorenzo Industries Inc.
Ville St-Laurent, Quebec

A contribution of \$29,130 representing 75 per cent of eligible costs of a productivity study for this plumbing fixtures manufacturer.

Machinerie G.A.S. Ltée
St-Nicolas (Lévis) Quebec

A contribution of \$9,750 representing 75 per cent of eligible costs of a productivity study for this tool shop.

Armoires de Cuisine Bernier, Inc.
St-Romuald (Lévis) Quebec

A contribution of \$17,025 representing 75 per cent of eligible costs of a productivity study for this maker of kitchen cabinets.

Draperies du Manufacturier D.M. Inc.
Ste-Rose de Laval, Quebec

A contribution of \$9,540 representing 75 per cent of eligible costs of a productivity study.

ADJUSTMENT AWARD

La Compagnie de Bois B et L, Ltée

A contribution of \$18,075 representing 75 per cent of eligible costs of a consultant's study of the company's manufacturing procedures and equipment for making snow fences and of its administration.

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FOR FURTHER INFORMATION CONTACT:

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Manitoba	(204) 949-2381
Ontario	(416) 369-4951
Quebec	(514) 283-6254
New Brunswick	(506) 452-3190
Prince Edward Island	(902) 892-1211
Nova Scotia	(902) 426-7540
Newfoundland	(709) 737-5511

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OCT 23 1981

For release/Pour publication

IMMEDIATE

Subject/Sujet

HON. ED LUMLEY OPENS TRANSIT EXPO IN CHICAGO

T 51/81 OTTAWA, October 8, 1981 -- The International Public Transit Expo '81 in Chicago will be officially opened tomorrow by the Hon. Ed Lumley, Minister of Trade, Canada, and the Hon. Drew Lewis, Secretary of Transportation for the United States.

The Government of Canada through the Department of Industry, Trade and Commerce is sponsoring a Canadian stand with 23 exhibitors at the show.

Transit Expo '81 is being held in conjunction with the American Public Transit Association's annual meeting, and over 7,000 people are expected to attend the two events. Mr. Lumley and Mr. Lewis will speak at the Association's opening session. While in Chicago, the Trade Minister has scheduled several meetings with leading U.S. business people and will be the guest speaker at the luncheon meeting of the Mid-America Committee, a highly influential group of businessmen in the U.S. Midwest.

Mr. Lumley said that the show presented an excellent opportunity for transit operators across North America and from around the world to see internationally adaptable Canadian technology and expertise. It is expected that by the turn of the century between \$400 and \$500 billion will be spent on urban transit equipment throughout the world, and recent sales achieved by Canadian companies against stiff international competition indicate the tremendous potential for the Canadian and the North American industry.

In his speech, the Trade Minister will pay particular attention to the Buy American legislation and how it has been a real trade restriction for Canada, and also to how the Surface Transportation Assistance Act has operated in many instances to the detriment of both countries. The Minister noted that there are also some procurement restrictions on the Canadian side which are of concern to the United States.

Mr. Lumley has proposed to Secretary Lewis and his Cabinet colleagues the setting up of a Canada/United States working group in the urban transit sector with the general purpose of developing the vast potential of the North American industry.

While at the show, Mr. Lumley will visit each of the Canadian exhibitors, including a number taking part on an individual basis with assistance from the Industry, Trade and Commerce Program for Export Market Development (PEMD). The department leased more than 16,000 square feet for the Canadian stand, about 30 per cent of the total space in Transit Hall at McCormick Place.

This is one of the largest single marketing assistance projects undertaken by the department, according to the Minister. A new film depicting Canadian experience in urban transit, produced jointly by ITC and the manufacturers, will have its premiere at the show on October 10. The first catalogue of the Canadian mass transit industry has been published by the department and is available at the Canadian stand, as is a special edition of ITC's export paper, "Canada Courier".

The Telidon system is being used to provide information on the Canadian industry from a data bank. Videotex units will display, at the buyer's request, specific information on a company or a general overview of the industry.

The Canadian products on display incorporate up-to-date technology and design features that result in lower operating and maintenance costs, passenger comfort, reliable performance and all-weather operating capabilities. The range includes extruded aluminum structural shapes, sheet and skins for vehicles; the vehicles themselves -- buses (diesel, trolley, standard, articulated), subway cars, diesel electric locomotives, LRC trains; systems for signalling, control and monitoring, for direction and information signs, despatching, and mechanical health monitoring; washing and cleaning equipment; and the automated Light Rail Transit system.

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IMMEDIATE

Subject/Sujet

SURVEY OF 1981 CAPITAL INVESTMENT INTENTIONS OF LARGE FIRMS

ITC 71/81 OTTAWA, December 18 1981 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, today released the highlights of the October 1981 ITC Survey of Business Capital Investment Intentions of Large Firms.

This survey provides an indication of planned investment spending for 1982 based on conditions at the time of the survey.

The survey suggests that business capital investment in 1982 will continue to be a source of strength for the growth of the Canadian economy, but at a more moderate rate. Approximately 300 companies reporting in this October survey indicate that their real capital spending may increase by about 9 per cent in 1982 over the 1981 level, which compares with the 17 per cent increase which was planned for 1981 over the previous year.

It should be noted that the survey was conducted before the federal budget was announced. The companies involved in the October survey were unable to take into account this budget when updating their investment plans.

The planned increase of 9 per cent represents only the reported plans of the survey companies which are a panel of large firms. In the past, it has been noted that these reporting firms generally overestimated their initial spending plans in terms of realizations.

Also, the large firms covered by the survey, while covering about two-thirds of total business spending intentions for new plant and equipment (excluding housing), may not necessarily reflect the spending patterns of small businesses.

There is a number of positive factors to be considered regarding the business investment climate in Canada. The underlying strength of business investment is in petrochemical, oil and gas

activity including pipelines and commercial services (trade and finance). Moreover, more than half the firms in the panel expect corporate profits in 1982 to be higher than in 1981.

However, given the strength of recent activity in business capital spending over the 1979-1981 period and the recent indication of weaker output growth, it is anticipated that it will not be possible to maintain the rates of investment growth of the recent past. There has been some increase in excess productive capacity in the Canadian economy.

Thus, after adjustment, and taking into account a number of the above relevant factors, the results from the October 1981 survey suggest that for 1982, actual or realized business spending on new plant and equipment (excluding housing) for all business firms may rise up by 2-3 per cent in real terms. This compares with an estimated increase of 5-7 per cent for 1981, 8.6 per cent for 1980 and 12.1 per cent for 1979 as reported in the National Accounts.

OTHER HIGHLIGHTS

- Responding companies indicate their planned level of spending on new plant and equipment in 1982 to be about \$35 billion (constant 1981 dollars), an increase of about \$3 billion over 1981. (All dollar figures and per cent changes are constant 1981 dollars, except when noted otherwise.)
- Compared with the final returns of a similar survey conducted in April 1981, the levels of investment reported in October 1981 represent downward revisions of 5.1 per cent and 0.3 per cent for 1981 and 1982 respectively. Since downward revisions for 1981 are more substantial than those for 1982, the expected percentage increase from 1981 to 1982 has changed between the two surveys, rising to 9 per cent from the 4 per cent previously estimated.

- Capital spending of manufacturing corporations on new plant and equipment in 1982 is expected to be about \$8 billion, a slight drop from a year ago. Those sectors of relatively strong spending plans are the chemicals industries and other miscellaneous manufacturing. The transportation equipment, forest products and food and beverages industries have relatively weak spending plans on new plant and equipment.
- The spending plans of the non-manufacturing sector in 1982 are expected to exceed \$27 billion which is an increase of 13 per cent over 1981. Notable strength is apparent in oil and gas including pipelines as well as in mining and trade, finance and other commercial industries. Oil and gas companies and commercial services indicate increases in investment spending above the overall average (9 per cent) for 1982.
- The spending of domestic majority-owned firms on new plant and equipment is anticipated to increase this year by 8 per cent in real terms compared with an increase of about 11 per cent for the foreign-owned firms.
- The large firms, on average, used a cost adjustment factor of about 11 per cent in their capital budgets for 1982 which is the same cost factor they used for 1981.
- A total of about \$19 billion in capital investments that was not included by the large corporations in their capital spending plans was, nevertheless, thought to hold high potential for introduction over the medium term. Of these \$19 billion considered investments, about \$12 billion were reported by oil and gas companies on the Prairies.

- On a regional basis, the Atlantic, the Prairies and British Columbia are notable areas of strength; each show percentage increases for 1982 above the national average.
- During 1982, the manufacturing companies in the survey panel expect to operate at 87 per cent capacity, up from 85 per cent in 1981.
- Sales are expected to advance by about 14 per cent in 1982, in current dollar terms, or about 2 per cent in real terms, above the 1981 level.
- Private firms show about 9 per cent increase in real capital spending in Canada for 1982 as compared with the 11 per cent shown by public companies.

TABLE 1

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1981 AND PLANS FOR 1982 -- CANADA
(Constant 1981 \$ Millions)

Industry	1981 Reported in <u>Apr. 1981</u>	1981 Reported in <u>Oct. 1981</u>	1982 Reported in <u>Apr. 1981</u>	1982 Reported in <u>Oct. 1981</u>
Food & Beverages	438.9	401.1	403.4	384.3
Forest Products	2,324.5	2,055.5	2,094.6	1,950.2
Primary Metals	1,730.9	1,668.7	1,795.5	1,637.6
Chemicals	1,298.5	1,155.0	1,410.4	1,525.0
Transportation Equip.	1,637.5	1,362.2	1,036.8	802.5
Other Manufacturing	<u>1,357.5</u>	<u>1,357.7</u>	<u>1,566.2</u>	<u>1,593.5</u>
<u>Total Manufacturing</u>	<u>8,787.8</u>	<u>8,000.2</u>	<u>8,306.9</u>	<u>7,893.1</u>
Mining Companies	2,295.4	2,143.2	2,462.2	2,443.9
Oil & Gas Companies	7,551.4	7,270.7	8,822.7	9,078.7
Oil & Gas Pipelines	1,705.1	1,915.6	2,146.4	2,131.8
Transp. & Storage	2,098.6	1,976.1	1,756.5	1,992.2
Communications	2,818.9	2,823.8	2,782.5	2,939.0
Electric Utilities	7,311.9	6,879.2	7,548.7	7,216.7
Trade, Finance and Other Commercial	<u>1,327.8</u>	<u>1,180.8</u>	<u>1,430.3</u>	<u>1,475.0</u>
<u>Total Non-Manufacturing</u>	<u>25,109.1</u>	<u>24,189.4</u>	<u>26,949.3</u>	<u>27,277.3</u>
 TOTAL	 <u>33,896.9</u>	 <u>32,189.6</u>	 <u>35,256.2</u>	 <u>35,170.4</u>

* Only firms which reported for the April 1981 and October 1981 surveys for the years 1981 and 1982 are used in this table, namely 279 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1981 AND PLANS FOR 1982 -- CANADA
(Constant 1981 \$ Millions)

Industry	Revisions Between Oct. 1981 & April 1981 Surveys (Percent Change)		1982/81 Year to Year (Percent Change)	
	1981	1982	Reported in Apr. 1981	Reported in Oct. 1981
Food & Beverages	-8.7	-4.8	- 8.1	- 4.2
Forest Products	-11.6	-6.9	- 9.9	- 5.2
Primary Metals	- 3.6	-8.8	3.7	- 1.9
Chemicals	-11.1	8.1	8.6	32.0
Transportation Equip.	-16.9	-22.6	-36.7	-41.1
Other Manufacturing	0.0	1.7	15.3	17.3
<u>Total Manufacturing</u>	<u>- 9.0</u>	<u>- 5.0</u>	<u>- 5.5</u>	<u>- 1.4</u>
Mining Companies	-6.7	-0.8	7.2	14.0
Oil & Gas Companies	-3.8	2.9	16.8	24.8
Oil & Gas Pipelines	12.3	-0.7	25.8	11.2
Transp. & Storage	-5.9	13.4	-16.4	0.8
Communications	0.1	5.6	- 1.3	4.0
Electric Utilities	-6.0	-4.4	3.2	4.9
Trade, Finance and Other Commercial	<u>-11.1</u>	<u>3.1</u>	<u>7.7</u>	<u>24.9</u>
<u>Total Non-Manufacturing</u>	<u>- 3.7</u>	<u>1.2</u>	<u>7.3</u>	<u>12.7</u>
 TOTAL	 <u>- 5.1</u>	 <u>-0.3</u>	 <u>4.0</u>	 <u>9.2</u>

* Only firms which reported for the April 1981 and the October 1981 surveys for the years 1981 and 1982 are used in this table, namely 279 firms.

BACKGROUND

The purpose of the ITC survey is to provide intelligence on the decision-making process for corporate capital investment and to generate timely material for Departmental policy and planning decisions.

The results of the survey reflect capital investment plans reported during the interview period and are obviously subject to change as the economic climate for business unfolds.

The survey panel comprises about 300 large companies that participate on a voluntary basis. Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

Historically, the companies in the panel have accounted for about two thirds of capital investment intentions for non-agricultural business excluding housing. The total investments of a company are allocated on a "main line of business" basis. For example, all investment of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

The fall 1981 survey was conducted during October 1981.

For further information, contact:

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IMMEDIATE

Subject/Sujet

BACKGROUND TO COMMUNITY-BASED INDUSTRIAL ADJUSTMENT PROGRAM (CIAP)

Objective

The major thrust of this program is to encourage firms to undertake viable capital projects in designated Canadian communities in response to serious industrial dislocation situations.

The principal focus of the program is on promising small and medium-sized manufacturing and processing firms prepared to undertake projects which would not otherwise be undertaken.

Eligible Areas

Communities are designated by the government for a one-year period, with a possibility of two six-month extensions.

Eligible Applicants

Assistance is available to manufacturing and processing firms undertaking projects to establish, expand or restructure operations in designated communities. The program focus is on:

- Firms in designated communities encountering difficulties as a result of a product or market decline or as a result of inefficient or uncompetitive production methods, and which propose to restructure operations through: the introduction of new or improved products; entry into new or different markets; or modernization or improvement of productive facilities;
- Firms in designated communities which wish to expand existing operations to take advantage of new or expanding market opportunities;
- Firms from outside designated communities which wish to enter the community through the acquisition of or merger with a firm in the community or the establishment of operations in the community which will result in a significant increase in manufacturing or processing activity in the community.

The Minister may from time to time designate commercial firms other than those engaged in manufacturing or processing for assistance under this program.

Eligibility Criteria

- The selected firm and project must be viable.
- The project would not be undertaken in the designated community without program assistance.
- The project offers significant net economic benefit to the designated community.
- The project will not create competitive overcapacity in the sector or industry.
- Contractural commitments in respect of the project have not been entered into prior to applications for assistance.

Forms of Assistance

- Non-repayable contributions of up to 75% of consulting costs associated with the development of viable projects for firms in respect of the establishment, expansion or restructuring of operations.
- Non-repayable contributions of up to 75% of consulting costs (including legal and financial advisory costs) associated with merger and acquisition projects which would contribute to the viability of operations of firms.
- Non-repayable contributions of up to 75% of consulting costs associated with a comprehensive analysis of the operations of firms to develop satisfactory plans to restructure operations or to assist in the implementation of satisfactory plans for restructuring or adjustment.
- Repayable interest-free contributions in such amount only as is necessary to cause the project to be undertaken, but in any event, in an amount not exceeding 50% of the eligible capital costs of projects (including the acquisition, construction, expansion, modification or conversion of machinery, equipment or buildings), and an amount not exceeding 50% of eligible pre-production expenses associated with such projects.
- The eligible capital costs of a project and the eligible pre-production expenses must aggregate at least \$100,000.

- The determination of the amount of the repayable contribution to be made to a firm will take into consideration the amount or amounts of other federal or provincial assistance given or to be given to the firm in respect of the same project.
- The costs of the acquisition of land are not eligible under the program.

Approval of Support

Decisions on assistance are made by a special Industry and Community Development Panel of the Enterprise Development Board.

Application for Assistance

Application forms and further information on the program are available at Industry, Trade and Commerce regional offices and from the Industry, Trade and Commerce member of the relevant Community Adjustment Committee which will be established in each designated community.

FOR FURTHER INFORMATION CONTACT:

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For release/Pour publication

IMMEDIATE

Subject/Sujet

GRAY ANNOUNCES \$93 MILLION ELECTRONICS SUPPORT PROGRAM

ITC/1/82

OTTAWA, January 25, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion today announced the establishment of a new \$93 million, three-year program to promote the manufacture and use of electronics in Canadian industry.

The program, Support for Technology Enhanced Productivity (STEP) is a major extension of the Special Electronics Fund. New program elements, and an additional \$67 million in funding have been added.

Mr. Gray said, "This program is a clear statement of the government's intent to encourage sectors of Canadian industry to exploit the burgeoning opportunities for economic and employment gain which the electronics revolution is creating. It will provide special opportunities for smaller regionally-based firms."

Highlights of the new program include:

- funding for the establishment of four additional Microelectronics Centres so that centres are located in every province across the country;
- establishment of a major projects investment fund for the electronics and machinery industries;
- a "one-stop shopping" program delivery system in his departments' regional offices across the country.

As Canada becomes more active in the electronics revolution there are enormous opportunities for growth. Demand for electronic equipment is booming world-wide and in Canada the electronics industry is one of our more rapidly growing sectors. Firms of all sizes, in all sectors and in all regions of the country that apply electronics to their products and processes should benefit from dramatic advances in productivity and competitiveness. This will

result in the creation of many new and rewarding jobs for Canadians, sales growth for the companies, and increased exports from Canada.

Mr. Gray said, "Our competitors are exploiting this technology now. We must become more active participants or be left behind. A failure to apply new production techniques while others are investing heavily will lead to an inability to keep up with world standards of competitiveness and a loss of domestic and export market share."

The government has had programs in place which promote and support the manufacture and application of electronics. STEP pulls these elements together, fills gaps in program coverage and creates a regionally sensitive, comprehensive program for industry that is delivered through a "one-stop shopping" mechanism.

STEP represents an important advance from the existing programs of support for firms which make electronic goods and services:

- \$48 million has been added to the major projects element to support world competitive R & D and capital investment manufacturing and software projects which would not otherwise take place in Canada;
- coverage of this element has been expanded to include R & D and the manufacture of advanced production equipment such as robots and computer assisted manufacturing equipment.

For companies in all sectors which will use these products and technologies, STEP provides new and expanded elements to assist business in obtaining needed information about electronics, and in applying the technology and products. It includes:

- an expanded industrial education program to alert business to the tremendous potential of electronics for their industry;

- an expanded country-wide network of ten microelectronics centres so that there will be a federally supported source of sophisticated technological advice and assistance in every province, particularly for small and medium sized firms;
- additional funds for an expanded set of incentive programs to share the costs of feasibility studies and of implementing the investment plans;
- a requirement that labour participate in the planning and implementation of the project;
- additional funding to support the costs of designing custom "chips" - specialized integrated circuits which can provide even greater efficiency and added features in a product.

This program should result in substantially greater activity by industry in terms of R & D and productive investment - at least four times as much direct private sector investment and at least 10 times the support in sales, both domestic and export. In addition, there should be a significant demonstration effect across individual sectors.

"This program is a coherent integrated framework designed to assist Canadian industry to respond positively to the opportunities and challenges facing them," Mr. Gray said. "With the establishment of STEP the government has taken the lead in encouraging business in all sectors and in all regions to rise to this challenge."

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For release/Pour publication

IMMEDIATE

Subject/Sujet

AUTO PARTS INDUSTRY DESIGNATED FOR ASSISTANCE

OTTAWA, January 28, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce, announced today that \$25 million has been earmarked over the next two fiscal years as being available to the automotive parts industry through a designation of this sector under the Industry-Specific Restructuring Program, part of the Industrial and Labour Adjustment Package (ILAP) announced last March.

The major aim of the Industry-Specific Restructuring Program (ISRP) is to encourage firms, mainly the smaller and medium sized ones, to undertake viable projects in designated sectors in response to serious industrial dislocation situations, and where such projects would not receive adequate aid under other programs.

Unlike the Community-Based Industrial Adjustment Program (also a part of ILAP), which provides assistance to firms wishing to locate or restructure only in designated communities and which offers a labour adjustment package to workers in the designated communities, the ISRP provides restructuring assistance to firms in designated industry sectors wherever they are located in Canada.

The criteria, terms and conditions governing ISRP are the same as those applied under the community-based program. The attached backgrounder explains the terms and conditions applicable to firms seeking assistance under the ISRP.

The ISRP will be administered by the new Industry and Community Development Panel of the Enterprise Development Board, a panel that has been constituted for the duration of the ILAP. Its function will be to decide on the merits of project proposals and the terms and conditions of the assistance to be provided.

Mr. Gray noted that the automotive parts sector is undergoing major structural change, mirroring conditions in the motor vehicle manufacturing industry.

"The growing tendency for vehicle manufacturers to source a greater proportion of their products from independent parts companies from all over the world presents Canadian manufacturers of original automotive parts with both major opportunities and major problems," he said. "At the same time companies located in all parts of Canada producing automotive parts for the aftermarket must restructure their operations to supply components for the growing number of imported and new generation vehicles now in service."

Producers of outdated components, both original and after-market equipment, are faced with either major conversion or demise, he added.

"Those producers already in the new product areas are faced with the need for major expansion to meet the new demand," Mr. Gray said.

The Canadian automotive parts industry is internationally competitive and export oriented, accounting for more than nine per cent of value added in Canadian manufacturing. This industry has only a few years to respond to these pressures and is having difficulty financing the required investments, he added.

Mr. Gray said this sector is already experiencing a sizeable trade deficit with the United States, and is likely to have further reductions in the absence of government action to help it to capture opportunities in the product and technological areas of the future.

For further information, contact:

S. Skorupinski,
Surface Transportation Branch
Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario
K1A 0H5

Tel: (613) 995-3304

BACKGROUND TO
INDUSTRY-SPECIFIC INDUSTRIAL RESTRUCTURING PROGRAM
OF THE
INDUSTRIAL AND LABOUR ADJUSTMENT
PROGRAM

Contact: S. Skorupinski (613) 995-3304

Objective

The major goal of the Industry-Specific Industrial Restructuring Program is to encourage firms to undertake viable capital projects in response to serious industrial dislocation situations. This program is a component of the Industrial and Labour Adjustment Package previously announced in March this year.

The principal focus of the program is on promising small and medium-sized manufacturing and processing firms prepared to undertake viable projects which would not otherwise be carried out.

Time Frame

The automotive parts industry is designated as eligible for assistance under the program for a two-year period.

Eligible Applicants

Assistance is available to firms producing or processing automotive parts which undertake projects to establish, expand or restructure operations.

The program focus is on:

- Firms encountering difficulties as a result of a product or market decline or as a result of inefficient or uncompetitive production methods, and which propose to restructure operations through the introduction of new or improved products; entry into new or different markets; or modernization or improvement of productive facilities;

- Firms which wish to expand existing operations to take advantage of new or expanding market opportunities.

Eligibility Criteria

- The selected firm and project must be viable and representative of new conditions in the designated sector.
- The project would not be undertaken without program assistance and where assistance under other programs is shown to be inadequate to bring the project forward.
- The project offers significant net economic benefit to Canada.
- The project will not create competitive overcapacity in the sector.
- Contractual commitments in respect of the project have not been entered into prior to applications for assistance.

Forms of Assistance

- Non-repayable contributions of up to 75 per cent of consulting costs associated with the development of viable projects for firms in respect of the establishment, expansion or restructuring of operations.
- Non-repayable contributions of up to 75 per cent of consulting costs (including legal and financial advisory costs) associated with merger and acquisition projects which would contribute to the viability of operations of firms.

- Non-repayable contributions of up to 75 per cent of consulting costs associated with a comprehensive analysis of the operations of firms to develop satisfactory plans to restructure operations or to assist in the implementation of satisfactory plans for restructuring or adjustment.
- Repayable interest-free contributions in such amount only as is necessary to cause the project to be undertaken, but in any event in an amount not exceeding 50 per cent of the eligible capital costs of projects (including the acquisition, construction, expansion, modification or conversion of machinery, equipment or buildings), and an amount not exceeding 50 per cent of eligible pre-production expenses associated with such projects.
- The eligible capital costs of a project and the eligible pre-production expenses must aggregate at least \$100,000.
- The determination of the amount of the repayable contribution to be made to a firm will take into consideration the amount or amounts of other federal or provincial assistance given or to be given to the firm in respect of the same project.
- The costs of the acquisition of land are not eligible under the program.

Approval of Support

Decisions on assistance are made by a special Industry and Community Development Panel of the Enterprise Development Board.

Application for Assistance

Application forms and further information on the program are available at Industry, Trade Commerce in Ottawa or at the department's regional offices.

FOR FURTHER INFORMATION CONTACT:

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For release/Pour publication

IMMEDIATE

Subject/Sujet

MAJOR APPLIANCE AND COMPONENTS INDUSTRIES DESIGNATED FOR ASSISTANCE

ITC 2/82

MONCTON, New Brunswick, January 28, 1982 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today that \$15 million has been earmarked over the next two fiscal years as being available to the major appliance industry, as a result of being named as a sector designated for aid under the Industry Specific Restructuring Program (ISRP), part of the Industrial and Labour Adjustment Program (ILAP) announced last March.

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The major aim of the Industry Specific Restructuring Program is to encourage firms to undertake viable projects in designated sectors in response to serious industrial restructuring requirements and where such projects would not receive adequate aid under other programs.

Unlike the Community-Based Industrial Adjustment Program (also part of ILAP), which provides assistance to firms wishing to locate or restructure in designated communities and which offers a labour adjustment package to workers in the designated communities, the ISRP provides restructuring assistance to firms in the designated industry sector, wherever they are located.

The criteria, terms and conditions governing ISRP are the same as those applied under the community-based program. The attached backgrounder explains the terms and conditions applicable to firms seeking assistance under the ISRP.

The ISRP will be administered by the Industry and Community Development Panel of the Enterprise Development Board, a panel that has been constituted for the duration of the ILAP program. Its function will be to decide on the merits of project proposals and the terms and conditions of the assistance to be provided.

Mr. Gray noted that the major appliance sector and its parts suppliers are experiencing widespread unemployment and layoffs, and, while short term market conditions played an important role, the real problems of the industry were more fundamental structural ones including the need to upgrade plant capabilities. The next two years will be a critical period in which the long-term competitiveness of the industry will be determined.

FOR FURTHER INFORMATION, CONTACT:

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Telephone: (613) 996-8438

BACKGROUND TO
INDUSTRY SPECIFIC RESTRUCTURING PROGRAM
OF THE
INDUSTRIAL AND LABOUR ADJUSTMENT
PROGRAM

Contact: R.J. Dixon or D. Mulcaster (613) 593-4481

Objective

The major goal of the Industry Specific Restructuring Program is to encourage firms to undertake viable capital projects in a particular industry (in this case the major appliance sector and its parts suppliers) in response to serious industrial restructuring requirements. This program is a component of the Industrial and Labour Adjustment Program previously announced in March 1981.

The principal focus of the program is on firms prepared to undertake viable projects which would not otherwise be carried out.

Time Frame

The major appliance industry is designated for a two-year period - fiscal 1982/83 and fiscal 1983/84.

Eligible Applicants

Assistance is available to firms producing major appliances (refrigerators, ranges, freezers, etc.) and related parts suppliers which undertake projects to restructure operations.

The program focus is on:

- firms encountering difficulties as a result of a product or market decline or as a result of inefficient or uncompetitive production methods, and which propose to restructure operations through the introduction of new or improved products; entry into new or different markets; or modernization or improvement of production facilities
- firms which wish to expand existing operations to take advantage of new or expanding market opportunities

Eligible Criteria

- the selected firm and project must be viable
- the project would not be undertaken without program assistance
- the project offers significant net economic benefit to Canada
- The project will not create competitive overcapacity in the sector
- contractual commitments in respect of the project have not been entered into prior to application for assistance

Forms of Assistance

- non-repayable contributions of up to 75 per cent of consulting costs associated with the development of viable projects for firms in respect of the establishment, expansion or restructuring of operations;
- non-repayable contributions of up to 75 per cent of consulting costs (including legal and financial advisory costs) associated with merger and acquisition projects which would contribute to the viability of operations of firms;
- non-repayable contributions of up to 75 per cent of consulting costs associated with a comprehensive analysis of the operations of firms to develop satisfactory plans to restructure operations or to assist in the implementation of satisfactory plans for restructuring or adjustment;
- repayable interest-free contributions in such amount only as is necessary to cause the project to be undertaken, but in any event in an amount not exceeding 50 per cent of the eligible capital costs of projects (including the acquisition, construction, expansion, modification or conversion of machinery, equipment or buildings), and an amount not exceeding 50 per cent of eligible pre-production expenses associated with such projects;
- the eligible capital costs of a project and the eligible pre-production expenses must aggregate at least \$100,000;
- the determination of the amount of the repayable contribution to be made to a firm will take into consideration the amount or amounts of other federal or provincial assistance given or to be given to the firm in respect of the same project;

- the costs of the acquisition or improvement of land are not eligible under the program.

Approval of Support

Decisions on assistance are made by a special Industry and Community Development Panel of the Enterprise Development Board.

Application for Assistance

Application forms and further information on the program are available at Industry, Trade and Commerce in Ottawa or at the Department's regional offices.

FOR FURTHER INFORMATION, CONTACT:

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IMMEDIATE

Subject/Sujet

GOVERNMENT AID TO INGLIS TO BUY CANADIAN ADMIRAL PLANTS

ITC 9/82

OTTAWA, March 12, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today that Inglis Limited of Mississauga, Ontario, will receive \$3,000,000 from the Federal Government in the form of a repayable contribution and grants through the Industry and Labour Adjustment Program and the Regional Development Incentives Program.

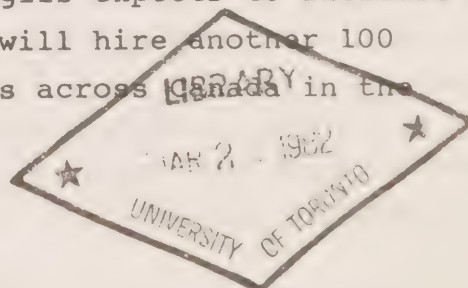
Inglis will use the federal assistance in its acquisition of the former Canadian Admiral plants in Montmagny, Quebec, and Mississauga, Ontario. It is expected that Inglis will rehire immediately about 730 former Admiral employees (332 in Montmagny and 399 in Mississauga) and within two years an additional 340 people in these two plants. The company also plans to examine the possibilities for production activity at former Canadian Admiral operations in Cambridge, Ontario. Inglis will continue the Admiral trademark and Admiral's basic distribution system, and it will honour Admiral's warranty responsibilities.

Inglis will make significant capital expenditures over the next three years for new and replacement manufacturing and processing equipment, and for the rearrangement and expansion of its manufacturing facilities. Additionally, Inglis expects to increase employment in its Toronto plant by 130 and will hire another 100 people in administration and sales functions across Canada in the course of this restructuring.

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IMMÉDIATE

Subject/Sujet

**AIDE GOUVERNEMENTALE VERSÉE A LA SOCIÉTÉ INGLIS
POUR L'ACHAT DES USINES DE LA CANADIAN ADMIRAL**

ITC 9/82

OTTAWA, le 12 mars 1982 -- L'honorable Herb Gray, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, a annoncé aujourd'hui que la société Inglis Limited de Mississauga, en Ontario, recevra \$3,000,000 du gouvernement fédéral sous forme de contribution remboursable et de subventions, dans le cadre du Programme d'adaptation de l'industrie et de la main-d'oeuvre et du Programme de subventions au développement régional du gouvernement fédéral.

La société Inglis se servira de l'aide fédérale pour acquérir les usines de l'ancienne Canadian Admiral situées à Montmagny, au Québec, et à Mississauga, en Ontario. On s'attend à ce que la société Inglis réembauche immédiatement quelque 730 ex-employés d'Admiral (332 à Montmagny et 399 à Mississauga) et 340 autres employés au cours des deux prochaines années dans ces deux usines. La société projette aussi d'étudier la possibilité de se servir des installations de l'ancienne Admiral à Cambridge, en Ontario. Inglis continuera à utiliser la marque de commerce Admiral ainsi que le réseau de distribution de base de la société, et respectera les garanties contractées par celle-ci.

La société Inglis effectuera d'importantes dépenses en immobilisations au cours des trois prochaines années en vue de renouveler et de remplacer le matériel de fabrication et de traitement et de réorganiser et d'agrandir ses installations. Inglis s'attend de plus à hausser de 130 le nombre de ses employés à son usine de Toronto et embauchera une centaine d'autres personnes dans les secteurs de l'administration et des ventes au Canada au cours de cette restructuration.

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POUR DE PLUS AMPLES RENSEIGNEMENTS, PRIÈRE DE COMMUNIQUER AVEC:

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For release/Pour publication

IMMEDIATE

Subject/Sujet

GRAY TO CO-CHAIR MEETING IN SWEDEN ON REGIONAL DEVELOPMENT

ITC 15/82

OTTAWA, April 19, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, left for Stockholm, Sweden, on Saturday to co-chair with Mr. Nils Asling, Sweden's Minister of Industry, a one-and-a-half-day meeting of regional development Ministers from member countries of the Organization for Economic Co-operation and Development (OECD). The meeting is jointly sponsored by Canada and Sweden.

Mr. Gray said: "Regional policies have been an important part of the OECD's work program for a long time, but this informal meeting is being held outside the formal structure of that organization."

He said that the idea of the meeting was first broached by his predecessor as DREE Minister, the Hon. Pierre De Bané, who had suggested to the Secretary General of the OECD in 1980 that an informal exchange among Ministers on regional concerns would be of great interest to most OECD countries in view of the severe budgetary restraints being forced on governments by economic conditions.

"The interest can be measured by the fact that representatives from almost every member country of the OECD will be attending. The response has been outstanding and the exchange of ideas will be very useful," he added.

Mr. Gray said that while he is in Stockholm, he will also be holding talks with his Swedish counterpart Mr. Asling and with Swedish businessmen.

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IMMÉDIATE

Subject/ Sujet

HERB GRAY CO-PRÉSIDERERA UNE RÉUNION EN SUÈDE SUR
L'EXPANSION RÉGIONALE

ITC 15/82

OTTAWA, le 19 avril 1982 -- L'honorable Herb Gray, ministre de l'Industrie, du Commerce et de l'Expansion économique régionale est parti pour Stockholm samedi. Le Ministre doit y co-présider, avec le ministre suédois du Commerce, M. Nils Asling, une réunion d'une journée et demie des ministres de l'expansion régionale des pays membre de l'Organisation de coopération et de développement économique (OCDE). Le Canada et la Suède parrainent conjointement la réunion.

M. Gray a déclaré: "Les politiques régionales ont été une partie importante du programme de l'OCDE depuis longtemps, mais la présente réunion ne se tient pas dans les structures officielles de cette organisation."

Il a précisé que l'idée de la réunion était d'abord venue à son prédécesseur au MEER l'honorable Pierre DeBané, qui avait laissé entendre au Secrétaire général de l'OCDE en 1980 qu'un échange officieux, entre ministres, sur les préoccupations régionales serait très intéressant pour la plupart des pays de l'OCDE, étant donné les sérieuses restrictions budgétaires que les gouvernements étaient forcés d'imposer à cause de la conjoncture économique.

"Preuve de cet intérêt: la plupart des pays membres de l'OCDE assisteront à la réunion. La réponse a été extraordinaire et l'échange de vues sera très utile", a-t-il ajouté.

M. Gray a dit que pendant son séjour à Stockholm il s'entretiendra avec son Promologue suédois, M. Asling, ainsi qu'avec des hommes d'affaires.

- 30 -

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IMMEDIATE

Subject/Sujet

FEDERAL GOVERNMENT AGREES TO SALE OF WHITE FARM EQUIPMENT CANADA LTD.

ITC 16/82

OTTAWA, April 19, 1982 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion today announced that the federal government has agreed to the sale by Linamar Machine Ltd. (Guelph) of the 50.1 per cent interest in White Farm Equipment Canada Ltd. to interests controlled by TIC Investment Corporation (Dallas). TIC Investment already held 49.9 per cent of White Farm Equipment Canada.

Mr. Gray said, "The Government permitted the sale after analysis and extensive negotiations because TIC Investment has now agreed to a number of revised or new conditions and undertakings designed to maintain employment, production and research and development at White Farm's Brantford plant."

The Minister said that the government sought a solution that would enable the plant to reopen, employees to be recalled and production to resume as quickly as possible, but it was believed that certain conditions and undertakings were required with regard to employment, production and research and development of TIC Investment before the transfer of control could be permitted.

These conditions cover a range of items, including: employment, Canadian sourcing, transfer pricing, treatment of Canadian dealers, manufacturing and research and development activities in Canada. They have been incorporated in revised undertakings given by TIC Investment to the Government under the Foreign Investment Review Act. In addition, TIC has agreed to relieve the Enterprise Development Board of its loan guarantees within two years.

White Farm Canada was once part of White Motor Corporation, Michigan, which was petitioned into receivership in 1980. In April 1981, TIC Investment assumed full control of the U.S. Farm Division and 49.9 per cent of the Canadian Farm Division, which was renamed White Farm Equipment Canada Ltd. At that time, the majority shares (50.1 per cent) of that company were purchased by Linamar Marchine Ltd. (Guelph). Also at that time, the federal Enterprise Development Board provided \$10.5 million in loan guarantees to White Farm Equipment Canada, which enabled the firm to resume operations under its new ownership.

Recently the company experienced severe cash flow difficulties. Manufacturing was suspended and all 740 hourly-rated employees, as well as 185 of their 285 salaried employees, were laid off.

Mr. Gray said, "Agreement to this sale, with the additional conditions and undertakings is expected to enable the company to recall employees and resume production within seven days."

FOR FURTHER INFORMATION, PLEASE CONTACT:

P. Quinn (613) 995-1088

APPENDIX

The principle covenants of the agreement between White Canada and the Minister of Industry, Trade and Commerce and Regional Economic Expansion and the federal Enterprise Development Board are as follows:

- . White Canada will employ, insofar as is practicable having regard to prevailing economic conditions and the prevailing demand for White Canada's products, 1200 full-time employees, including employees in training positions, it being understood that temporary layoffs and work reductions may occur from time to time by reason of economic conditions generally and in the farm machinery industry in particular.
- . White Canada will continue its current range of manufacturing and research and development activities in Canada and to maintain its capacity for product engineering.
- . White Canada will meet in a timely manner its ongoing obligation under its employees' pension plans and supplementary health benefit plan. These obligations do not include any obligation of White Motor Corporation of Canada Limited not assumed by White Canada.
- . White Canada will calculate the transfer price for goods shipped by White Canada to its affiliates in the United States on the same basis as the transfer price is calculated for goods sold by such affiliate to White Canada.
- . White Canada will not be restricted from exporting its products, and the distribution agreement with its associate White Farm Equipment Company shall be amended such that the latter company will have an exclusive right to sell the products of White Canada in the United States of America and a non-exclusive right to sell the products of White Canada throughout the remainder of the world.
- . White Canada will ensure that its dealers receive no less favourable treatment in respect to pricing of its products than U.S. dealers receive from White U.S. or its U.S. subsidiaries in respect of White Canada's products.
- . All combines and combine-related products produced by White Canada will be manufactured in Canada, unless otherwise agreed by the Minister or his representative. If White Canada should produce additional harvesting equipment, that equipment will be built in Canada and any additional facilities needed for additional capacity to produce any of the foregoing will be located in Canada and the regional implications of a new location will be discussed with the Minister.

- . All research and development activities in respect of combines and combine-related products and in respect of harvesting equipment of the type manufactured by White Canada in Canada from time to time and in respect of other products technically compatible with any of the foregoing, will be performed in Canada and any products developed with research and development performed in Canada will be built in Canada unless otherwise agreed by the Minister.
- . White Canada will honour and perform its obligations under each of the agreements in respect of the PAIT Grants.
- . White Canada covenants that it will, within two years from the date hereof, obtain a release of the EDB from the EDB Loan Insurance Obligations.
- . In consideration of \$10.00 paid by 100522 to EDB, the receipt of which is hereby acknowledged, EDB hereby assigns its option to acquire shares in the capital of White Canada to 100522 conditional upon being released from its insurance obligations as aforesaid and hereby agrees that it will not exercise such option during the period of two years that the EDB insurance is to remain in place; provided that in the event the EDB is not released from the EDB Loan Insurance Obligations within the 2 years aforesaid the EDB shall be free to exercise its option at any time thereafter in accordance with its terms.
- . It is acknowledged and agreed that, for the purposes of the loan agreement dated April 8, 1981, between Ontario Development Corporation and White Canada, a default under this agreement shall be a default under that agreement.

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For release/Pour publication

IMMEDIATE

Subject/Sujet

1982 CAPITAL INVESTMENT INTENTIONS SURVEY RELEASED

ITC 25/82

OTTAWA, June 17, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today released highlights of ITC's April 1982 Survey of Business Capital Investment Intentions of Large Firms. This survey provides an indication of planned investment spending for 1982 based on conditions at the time of the survey.

The survey indicates that the 1982 investment plans of Canada's largest firms have softened considerably in the past six months. The April survey suggests that capital spending by Canada's 300 largest companies in 1982 may increase by about 4 per cent in real terms over the revised 1981 level. A similar survey last October indicated that an increase of 9 per cent was expected for 1982.

Mr. Gray pointed out that the survey reflects the reported plans of only a panel of large firms. In the past, this panel has tended to indicate a larger increase in spending plans than has ultimately been realized. Furthermore, the spending plans of these large firms have not necessarily reflected the spending patterns of small businesses.

After taking such factors into account, the actual or realized spending by all business firms on new plant and equipment (excluding housing) for 1982 may be no more than it was in 1981. This compares with estimated real increases of 6.9 per cent in 1981, 8.6 per cent in 1980 and 12.1 per cent in 1979 as presently reported in the National Accounts.

Following are highlights from the April 1982 Survey of Business Investment Intentions of Large Firms.

Survey Highlights

(All dollar figures and per cent changes are based on constant 1981 dollars except when otherwise noted.)

- Responding companies indicate their planned level of spending on new plant and equipment in 1982 to be about \$32 billion, an increase of about \$1.3 billion over the revised 1981 level.
- Compared with the results of a similar survey conducted in October 1981, the levels of investment reported in April 1982 represent downward revisions of 4.9 per cent to 1981 and 8.9 per cent to 1982. Since downward revisions for 1982 are more substantial than those for 1981, the expected percentage increase from 1981 to 1982 has changed between the two surveys, dropping to 4 per cent from the 9 per cent previously estimated.
- Capital spending by reporting manufacturing corporations on new plant and equipment in 1982 is now expected to be about \$6.5 billion, a 17 per cent drop in real terms from a year ago. The chemicals industry sector shows relatively strong spending plans for 1982, but other sectors, especially the primary metals and transportation equipment industries, currently indicate considerable weakness.
- The spending plans of respondents in the non-manufacturing sector in 1982 are expected to exceed \$25 billion, an increase of 12 per cent over 1981. Notable strength is apparent in oil and gas, including pipelines, as well as in utilities and trade, finance and other commercial industries.
- On a regional basis, the Atlantic and Prairie regions are notable areas of strength; each shows percentage increases for 1982 above the national average. The British Columbia region shows a year-to-year increase about half the national average, while Ontario records a slight increase and Quebec a slight decline.
- The large firms, on average, used a cost adjustment factor of about 12 per cent in their capital budgets for 1982.
- The proportion of capital spending directed to research and development has increased from 0.8 per cent in 1981 to 1.4 per cent in 1982; the absolute dollar amount has doubled.
- Capital investment abroad by those firms who report outward investment is expected to decrease by about 3.5 per cent in 1982 in current dollar terms.
- The spending of domestic majority-owned firms on new plant and equipment is anticipated to increase this year by 6 per cent in real terms compared with a decline of 0.3 per cent for the spending of foreign-owned firms.

- Private firms show less than a 1 per cent increase in real capital spending plans for 1982 as compared with a 13 per cent increase shown by public companies.
- A comparison of this survey's results with those of the October 1981 survey shows a 1.2 per cent reduction in the level of investment intentions for the 1983-1986 period. Companies presently indicate a total of about \$100 billion (1981 dollars) in investment plans for the medium term.
- A total of about \$21.5 billion in capital investments that was not included by the large companies in their spending plans was, nevertheless, thought to hold potential for introduction over the medium term. Of these investments under consideration, \$15.5 billion were reported by oil and gas companies.
- During 1982, the manufacturing companies in the survey panel expect to operate at 81 per cent capacity, down from 84 per cent in 1981.
- Sales are expected to advance by about 12 per cent in 1982, in current dollar terms, above the 1981 level.

Survey Background

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide intelligence on the decision-making process for corporate capital investment and to generate timely material for departmental policy and planning decisions.

The results of the survey reflect capital investment plans reported during the interview period and are obviously subject to change as the economic climate for business unfolds.

The survey panel comprises about 300 large companies that participate on a voluntary basis. Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

Historically, the companies in the panel have accounted for about two thirds of capital investment intentions for non-agricultural business excluding housing. The total investments of a company are allocated on a "mainline of business" basis. For example, all investment of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

The spring 1982 survey was conducted mainly during April 1982. The results presented here include returns received up to May 19, 1982, and thus take into consideration some of the recently announced postponements of major mega projects.

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TABLE 1

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1981 AND PLANS FOR 1982 -- CANADA
(Constant 1981 \$ Millions)

<u>Industry</u>	1981 Reported in Oct. 1981	1981 Reported in Apr. 1982	1982 Reported in Oct. 1981	1982 Reported in Apr. 1982
Food and Beverages	388.1	383.8	374.9	349.1
Forest Products	2,057.9	2,074.2	1,986.6	1,683.7
Primary Metals	1,668.7	1,630.0	1,637.6	1,143.2
Chemicals	1,151.5	1,114.0	1,507.7	1,238.0
Transportation Equip.	1,372.4	1,250.7	841.5	718.2
Other Manufacturing	1,412.1	1,414.0	1,651.0	1,408.3
<u>Total Manufacturing</u>	<u>8,050.7</u>	<u>7,866.7</u>	<u>7,999.3</u>	<u>6,540.5</u>
Mining Companies	2,062.3	1,993.8	2,305.4	2,030.3
Oil & Gas Companies	7,289.9	6,739.4	9,122.2	7,875.2
Oil & Gas Pipelines	1,915.6	1,627.6	2,131.8	2,220.4
Transp. & Storage	1,976.1	1,871.5	1,992.2	1,899.9
Communications	2,823.8	2,752.8	2,939.0	2,812.5
Electric Utilities	6,846.6	6,643.6	7,039.8	7,245.4
Trade, Finance and Other Commercial	1,258.2	1,165.8	1,576.6	1,367.8
<u>Total Non-Manufacturing</u>	<u>24,172.5</u>	<u>22,794.5</u>	<u>27,107.0</u>	<u>25,451.5</u>
<u>TOTAL</u>	<u>32,223.2</u>	<u>30,661.2</u>	<u>35,106.3</u>	<u>31,992.0</u>

* Only those firms which reported for the April 1982 and the October 1981
 Surveys for the years 1981 and 1982 are used in this table, namely 284 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1981 AND PLANS FOR 1982 -- CANADA
 (Constant 1981 \$ Millions)

<u>Industry</u>	Revisions Between April 1982 & October 1981 Surveys (Percent Change)		1982/81 Year to Year (Percent Change)	
	<u>1981</u>	<u>1982</u>	<u>Reported in Oct. 1981</u>	<u>Reported in Apr. 1982</u>
Food and Beverages	-1.2	-6.9	-3.5	-9.1
Forest Products	0.7	-15.3	-3.5	-18.9
Primary Metals	-2.4	-30.2	-1.9	-29.9
Chemicals	-3.3	-17.9	30.9	11.1
Transportation Equip.	-8.9	-14.7	-38.7	-42.6
Other Manufacturing	0.1	-14.8	16.9	-0.5
<u>Total Manufacturing</u>	<u>-2.3</u>	<u>-18.3</u>	<u>-0.7</u>	<u>-16.9</u>
Mining Companies	-3.4	-12.0	11.7	1.8
Oil & Gas Companies	-7.6	-13.7	25.1	16.8
Oil & Gas Pipelines	-15.1	4.1	11.2	36.4
Transp. & Storage	-5.3	-4.7	0.8	1.5
Communications	-2.6	-4.4	4.0	2.1
Electric Utilities	-3.0	2.9	2.8	9.0
Trade, Finance and Other Commercial	-7.4	-13.3	25.3	17.3
<u>Total Non-Manufacturing</u>	<u>-5.8</u>	<u>-6.2</u>	<u>12.1</u>	<u>11.6</u>
<u>TOTAL</u>	<u>-4.9</u>	<u>-8.9</u>	<u>8.9</u>	<u>4.3</u>

* Only those firms which reported for the April 1982 and the October 1981 Surveys for the years 1981 and 1982 are used in this table, namely 284 firms.

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Subject/Sujet

**GRAY ANNOUNCES ADDITIONAL \$71.9 MILLION REPAYABLE GRANT TO
PRATT & WHITNEY**

ITC 27/82 MONTREAL, July 16, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today that Pratt & Whitney Aircraft of Canada of Longueuil, Québec, has been awarded an additional \$71.9 million under the federal Defence Industry Productivity Program (DIPP), to be paid over the next four years.

The funding will be in the form of a repayable contribution and will enable Pratt & Whitney to carry out further basic research and to complete the full development of the JT15D-5 and PT6A60 series of aircraft engines. Both these engines, representing extensions to the famous Pratt & Whitney PT6 and JT15D engine families, provide significant increase in power to suit new aircraft being designed in the U.S., Europe and Japan. The PT6A60 turbo-propellor engines will be used mainly for corporate and commuter planes while the JT15D-5 turbo-fan engine is for business jets and military trainers.

The company forecasts that these engines will bring in revenue of \$1.9 billion and create 23,000 person years of employment by 1992. Of this employment figure, 19,000 person years will be in production, which begins in late 1982. These programs will also provide significant ongoing benefits to subcontractor companies in Canada. Sales by Canadian firms to Pratt & Whitney Canada have increased from \$37 million in 1970 (1,880 firms) to \$184 million in 1981 (2,700 firms), with 67 per cent of this business being placed with Quebec-based firms.

Mr. Gray emphasized that the primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a range of industry sectors, such as electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related civil exports.

For the purpose of DIPP, defence industry is defined as those companies or elements thereof which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related civil export sales.

Mr. Gray said that previous government assistance to Pratt & Whitney since 1960 of \$172 million under DIPP, together with the company's investment of \$530 million, has generated \$2.6 billion in sales, 90 per cent of which was export, and provided 85,000 person years of employment. P & W has repaid \$20 million and has scheduled another \$83 million repayment by 1987.

DIPP assistance to Quebec firms amounted to \$93 million in 1981/82 equal to 56 per cent of the total DIPP assistance across Canada.

Pratt & Whitney has indicated that the current layoff situation there is due to economic downturns in foreign countries, primarily the U.S. This situation is expected to ease by 1983.

Mr. Gray said, "While there will always be periodic downturns due to the cyclical international market behaviour of this industry, the trend is for increased employment over the long term. The repayable contribution that I am announcing today serves to help ensure the long-term growth of the firm into the 1990s and maintain and strengthen employment."

During the last five years, Pratt & Whitney's R&D spending totalled \$280 million. The company plans to increase its R&D spending by more than three times over the next five years.

Pratt & Whitney is the second largest industrial investor in R&D in Canada.

The Minister pointed out that the company has significant long-term market opportunities in the small aircraft engine field but expects strong international competition. "The investment needed to meet this competition is exceptionally large, and we will assist this Canadian-based company to retain and expand its market share," he said.

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Subject/Sujet

CANADA TO NEGOTIATE PARTICIPATION
IN AIRBUS INDUSTRIE A-320 PROGRAM

ITC 28/82

OTTAWA, July 21, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today announced Canada's intention to begin formal negotiations to see if there is a basis for participation by the Canadian aerospace manufacturing sector in the Airbus Industrie A-320 aircraft program.

Canada has concluded initial discussions with members of the Airbus Industrie consortium at both the industrial and intergovernmental levels. As a result of these discussions, Mr. Gray on behalf of the Canadian government, has written to his European government counterparts in the Airbus Industrie consortium indicating Canada's formal commitment to negotiate a possible partnership arrangement. He has also instructed Mr. John Sandford, President of the Crown-owned de Havilland Aircraft of Canada Ltd., to sign a memorandum of understanding with Airbus Industrie. This memorandum will form the basis for defining terms and conditions of possible industrial participation. De Havilland has been designated as the Canadian industrial representative.

The A-320 is a 150 seat passenger aircraft which will be powered by two advanced jet engines. It is designed to replace aging and outmoded single aisle aircraft in the 120-180 seat category.

This aircraft is being developed by Airbus Industrie, an international consortium with partners in the United Kingdom, the Federal Republic of Germany, France, and Spain. Airbus Industrie has been successful in marketing two previous aircraft, the A-300 and the A-310, despite problems being experienced by many of the world's aerospace companies adversely affected by the current economic climate. According to a recent study prepared by an American group, Airbus now controls 43 per cent of the world's passenger aircraft market compared to only 3 per cent in 1977.

Forthcoming negotiations will be conducted by Mr. Gray, in consultation with the Minister of Finance and the Secretary of State for External Affairs. Mr. Gray will be supported by both a federal and industrial negotiating team. The federal negotiating team will be concerned with Canadian participation in the governing bodies of Airbus Industrie and with the forms and kinds of assistance guarantees which will be provided to the national and industrial partners of the consortium. The industrial negotiating team will concern itself with work packages, technology transfers, and the terms and conditions under which Canada recovers development costs. Mr. Gray pointed out that while the commencement of negotiations demonstrates the federal government's interest in participating in the project, the final decision will depend on certain issues being resolved to the satisfaction of all parties in the negotiations.

The Minister commented that if negotiations should prove successful, Canada's participation in the A-320 program would represent a concrete demonstration of our "contractual link" with members of the European Economic Community.

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BACKGROUND ON AIRBUS INDUSTRIE

Airbus Industrie is an international consortium comprising companies from France, Germany, the United Kingdom and Spain. It was established under French law as a Groupement d'intérêt économique (GIE) in September, 1967. It was formed because the member countries and companies recognized that the only way of ensuring a European presence in the manufacture of large commercial jet aircraft was through a consortium where manufacturers could share the risks and their skills and resources. The members of Airbus Industrie are Société Nationale Industrielle Aerospatiale (SNIAS) and Deutsche Airbus, each with 37.9%; British Aerospace with 20%; and Construcciones Aeronauticas S.A. (CASA) of Spain with 4.2%. The percentages relate to the rights and liabilities of each member of the consortium as agreed in its articles of association. The partner companies themselves are commercial enterprises under the legislation of the countries of their incorporation. CASA is wholly owned by the Spanish government while more than 97% of Aerospatiale shares are owned by the French government. Approximately 48% of British Aerospace, a joint national and private company, is owned by the U.K. government. Deutsche Airbus is a subsidiary of Messer Bölkow-Blöhm, with no state ownership by the German government.

Under the articles of association the present members of the consortium share pro rata parte in the costs and revenues of the association. All members are liable both jointly and severally for the debts of the entire partnership.

PRODUCTS

Airbus Industrie is at present manufacturing two types of aircraft. The A300, a wide bodied twin engined commercial jet, with a capacity for up to 345 passengers, is in service with many of the world's airlines. The A310, a smaller partner to the A300, is now in production and should achieve certification early next year. The A310 is a smaller version of the A300 with just over 200 seats. On the drawing board is a new generation single aisle twin proposed for entry into service in 1987-88. This aircraft is the 150 seat A320.

ORGANIZATION

Airbus Industrie is managed by a supervisory board which has 17 members. Six members are directly nominated by Aerospatiale, six by Deutsche Airbus, four by British Aerospace and one by CASA. In addition there is an inter-governmental steering committee with members from each of the countries active in the partnership. The committee manages those governments' interests on issues such as export financing. An intergovernmental agreement defines the rights, obligations and commitments of each of the member countries of the consortium. Commercial agreements define the relationships between the industrial partners.

FINANCING

Airbus Industrie's everyday needs are financed through an annual budget approved by the industrial members. This budget covers overhead expenses and certain items of equipment to be installed in the aircraft. R&D costs are

financed on a national basis by the industrial members, usually backed by government loans or contributions. These loans or contributions are repaid from an agreed share of the proceeds of aircraft sales transferred immediately on receipt by Airbus Industrie to the members.

Production inventory is financed by bank loans, made on commercial terms to the member companies and usually guaranteed by the member government. When the completed aircraft is delivered to its customer from the final assembly line the price for those sections manufactured by each individual member is credited to that respective member's account.

DEVELOPMENT

Airbus Industrie is able to take full advantage of the resources available in its partner companies and national research institutes. These resources combined are larger than those of any other aircraft manufacturer worldwide. Development tasks are allotted in agreed proportions to the member companies. The results of each member's research program are available to all other members under the Airbus Industrie agreement. Commercial confidence is maintained with respect to the outside world by those same agreements.

PRODUCTION

As a project moves out of the design phase, production work is shared among the members. As each part is completed it is shipped to Toulouse in France for final assembly into the airplane.

Throughout the production process the partners' relationships to Airbus Industrie are straightforward. Airbus Industrie is responsible for program management and ensuring that the allotted tasks are performed on time and within cost. Detailed decision making is the responsibility of the individual factory allotted a particular task by the member company to whom it belongs.

MARKET SHARE

In 1978, Airbus Industrie became established as the world's second largest seller of commercial aircraft and has since moved on to consolidate this position. In 1981, for example, Airbus received 55% of the world orders placed for wide bodied jet aircraft. A recent American study indicated that Airbus now controls 43% of the world's passenger aircraft market.

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B. BROWN

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AIRBUS NEGOTIATIONS BEGIN

ITC 29/82

OTTAWA, July 23, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, met today with Bernard Lathière, Chief Executive Officer of Airbus Industrie. M. Lathière is in Ottawa to begin the process of industrial negotiations regarding Canadian participation in the Airbus Industrie A320 aircraft program.

Messrs. Gray and Lathière were joined by Mr. John Sandford, President and Chief Executive Officer of de Havilland Aircraft of Canada Ltd. De Havilland has been designated as the Canadian industrial partner in the aircraft project.

The A320 is a 150 seat passenger aircraft being planned for development by the international Airbus Industrie consortium as a replacement for outmoded 120-180 seat single aisle aircraft. On Wednesday of this week, Mr. Gray announced the federal government's intention to negotiate a partnership arrangement in the Airbus Industrie A320 project.

"I am delighted that M. Lathière and Mr. Sandford are able to join me today to launch the process of industrial negotiations," Mr. Gray said. "Our discussions are aimed at determining whether the designated Canadian industrial partner and Airbus Industrie can reach an agreement that will ensure Canada's objectives are met."

Mr. Gray noted that three conditions must be fulfilled to ensure Canadian participation in the Airbus Industrie A320 program. First, Canada must be satisfied that the project is commercially viable; the A320 program must result in significant industrial benefits to the Canadian aerospace industry, particularly in terms of employment and the transfer of advanced technology; and finally, Canadian participation must be on the basis of recovery of expenditures incurred by the federal government.

"Airbus Industrie has proven its ability to produce aircraft of high technical quality and demonstrated success in the marketplace," the Minister said. "I have every confidence that the A320 program will improve upon this record and I look forward to a successful outcome of the negotiations."

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MODERNIZATION OF INTER CITY PAPERS LTD. IN LACHUTE

Montreal, July 28, 1982 - Inter City Papers Ltd. has accepted a grant of \$1,354,800 to modernize one of its facilities, the Price Wilson Division in Lachute. The grant was announced today by Francis Fox, Minister of Communications, on behalf of Herb Gray, federal Minister of Regional Economic Expansion (DREE) and of Industry, Trade and Commerce. André Maltais, Parliamentary Secretary to Herb Gray and federal MP for Manicouagan, and Robert Gourd, federal MP for Argenteuil, also attended the press conference.

The Lachute plant, which specializes in packaging and sanitary products, is undertaking a project involving the investment of more than \$6.8 million. The project should consolidate the viability of the enterprise, ensure that 265 jobs are maintained and create six more. The modernization of basic equipment and the construction of new warehouses will make it possible to improve assembly lines, storage, sales and distribution.

Five types of products are now produced by the manufactured products division: paper bags, folding cartons, paper towels, Jiffy padded envelopes and wrapping paper.

The JC Wilson Company built the original paper mill on the banks of the Rivière du Nord in 1880. In 1959, the Price Paper Company took over JC Wilson and the name was changed to Price Wilson in 1967. Since 1978, Inter City Papers Ltd., Canada's leading distributor of fine papers, took complete control of Price Wilson.

Inter City Papers Ltd. received assistance through the Montreal Special Area program, which offers financial incentives to manufacturers in the Montreal area. This DREE program aims to stimulate the area economy by helping rapid-growth industries to develop and by stimulating industrial research.

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Subject / Sujet

**MICROELECTRONICS CENTRE OF TECHNOLOGY
TO BE ESTABLISHED IN NEW BRUNSWICK**

MONCTON, July 29, 1982 -- The Hon. Roméo LeBlanc, Minister of Fisheries and Oceans, on behalf of the Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today announced the establishment of a Microelectronics Centre of Technology in New Brunswick.

The centre, to be located in Fredericton and Moncton, will be funded \$1 million over five years by the Department of Industry, Trade and Commerce and will provide technical assistance to industry in the application of microelectronics to products and manufacturing processes. It will be operated jointly, on a bilingual basis, by the University of New Brunswick in Fredericton and l'Université de Moncton, each of which has existing capabilities in the industrial application of microelectronics and are accessible to the industries that will make use of the centre's services.

The establishment of this Microelectronics Centre is a key part of the Microelectronics Support element of the national Support for Technology Enhanced Productivity (STEP) program, which provides for the establishment of up to ten Microelectronics Centres of Technology, i.e., one in each province in which there are capable institutions wishing to operate a centre and in which there is a need or potential need for such a service. The overall objective of STEP is to encourage the application of microelectronic devices and electronics generally in all sectors of industry.

Another important aspect of STEP is its industrial education program, involving regional and industry sector seminars to encourage industry to adopt productivity-improving technologies and methods. The New Brunswick Microelectronics Centre will direct its activities primarily to small and medium-sized firms and will be part of this educational program as an ongoing resource in maintaining awareness of the impact of technology.

The Microelectronics Support element of STEP is also designed to assist Canadian companies with the initial use of microelectronics in their operations or products. Applications can be made through the Electrical and Electronics Branch of ITC and the department's regional offices across Canada. The assistance may first pay for the cost of a consultant's study up to a maximum contribution of \$10,000.

If the consultant's study concludes that the adoption of microelectronics by the manufacturer is feasible, the manufacturer may then apply for a contribution towards the necessary development. ITC may contribute up to 75 per cent of the eligible costs of the development, up to a maximum of \$100,000.

In making the announcement, Mr. LeBlanc stressed that the productivity and competitiveness of all Canadian industry sectors will be enhanced by the effective use of microelectronics and electronics generally.

"Now that the electronic chip can control processes and products ranging from resource industries to consumer goods, the long-held perception of microelectronics being confined to the

computer room is no longer true. In the new area of Computer Aided Design and Computer Aided Manufacturing (CAD/CAM), for example, the electronic chip helps design products and then runs the machinery to manufacture them."

"Above all, it's important for Canada to stay in the vanguard of new industrial applications of microelectronics to ensure our continuing competitiveness in world markets," Mr. LeBlanc said.

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MAISLIN CONDITIONALLY OFFERED
\$34.0 MILLION FEDERAL LOAN INSURANCE

ITC30/82 OTTAWA, July 30, 1982 -- The Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today that the federal government has made a conditional offer of assistance to Maislin Industries Limited. The assistance offered would take the form of insuring 90 per cent of private lender loans. The total of government insurance would be approximately \$34.0 million. Maislin has accepted the government's offer and is proceeding to meet the conditions set.

To help the restructuring of the financially troubled company during its efforts to further reduce costs, shareholders will increase their equity by \$2.5 million. The loan guarantee will enable the company's banker, the Canadian Imperial Bank of Commerce, to provide ongoing financial assistance to Maislin including restructuring the present debt.

The company has given the government a written commitment that it and its Canadian subsidiaries, with respect to their non-union employees, will adhere to the government guidelines limiting wage increases to 6 per cent and 5 per cent during the two years the restraint program is in effect as set forth in the Budget proposals of June 28, 1982.

The company has also undertaken not to enter into any contract with its unionised employees beyond these wage guidelines.

Trucking companies within the Province of Quebec providing a substantial portion of feeder services to Maislin have also agreed to abide by these guidelines with respect to their non-union employees.

Mr. Gray was pleased to receive a telegram from the International Director of the Canadian Conference of Teamsters on the matter of the guidelines in regard to Maislin's unionized employees. (See attached copy of the telegram).

The company has agreed among other things to elect to its board of Directors a nominee of the Crown. The company must also submit to the government a satisfactory loan offer from the private lender by August 31 this year. The loan disbursement must start by November 30, 1982.

Maislin is the largest international carrier in North America. It employs about 4,000 persons: 2,000 in Canada, about 1,500 of these in the Montreal area, and 2,000 in the United States. It is estimated that 47 per cent of Maislin's business is between Canada and the United States and 8 per cent is wholly within Canada.

FOR FURTHER INFORMATION, CONTACT:

John Wansbrough Tel.: (613) 997-2408

COPY OF TELEGRAM RECEIVED JULY 29, 1982

To: Honourable Herb Gray

Further to my previous telegram wherein I gave the commitment as International Director of the Canadian Conference of Teamsters that I would recommend in the strongest possible terms to our local unions representing employees of Maislin Industries that settlements negotiated are not to exceed the federal guideline;

I can now add the following:

- 1) the Québec locals of the union directly involved are prepared to call a press conference in Montréal to publicly affirm this commitment.
- 2) If there is to be an administrative committee or a liaison committee between the federal government and Maislin Industries, our union is not only willing but anxious to participate in any such committee. These commitments are based on an affirmative decision by the federal government to financially assist Maislin Industries.

Signed:

Senator Edward Lawson,
International Director
Canadian Conference of Teamsters

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AUG 24 1982

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★ 10:00 A.M. ★

Contact / Liaison

TOM MACDONALD

(613) 995-3304

Subject / Sujet

**FEDERAL GOVERNMENT TO ASSIST CHRYSLER/PERKINS
TO CARRY OUT DIESEL ENGINE PROJECT**

ITC31/82 WINDSOR, August 12, 1982 -- The Honourable Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today that the federal government has agreed to restructure the agreement of February 1981 with Chrysler Canada Ltd. that provided for up to \$200 million of loan insurance to the company. As part of the new agreement the federal government has also agreed to make available \$12 million in repayable contributions to assist the company to carry out a project to manufacture diesel engines in Windsor in an independent venture with Perkins Engines Canada Ltd. The Ontario government will also participate in carrying out the diesel project by contributing \$33 million in loan guarantees and a \$10 million interest free loan to support the diesel venture.

Chrysler Canada estimates that the diesel engine project, to be established in the company's currently closed engine plant in Windsor, will provide 1,000 jobs by 1988, depending on productivity factors. Seventy-five of these jobs will be in a new research and development centre in the engine plant premises. The project will also provide about 600 jobs at the plants of independent Canadian auto parts suppliers, plus indirect employment in Canada of about 1,600.

The existing engine plant was opened in 1965 to produce gasoline engines. A falling demand for this product resulted in the plant's closing in 1980. Using the assets of the closed plant represents an estimated saving to Chrysler of \$300 million as compared to constructing an entirely new facility. Certain of the engine components will be produced by Chrysler in nearby Trenton, Michigan. The engines themselves will be assembled in the Windsor plant with about two thirds of the finished engines to be used to supply Chrysler's in-house needs for diesel powered passenger cars and light trucks. The remainder will be distributed through Perkins' worldwide marketing channels to a wide variety of customers in the industrial, marine, construction, agricultural, automotive and other fields. The planned production capacity will be for 240,000 engines per year, with initial production to commence in 1984 for a six-cylinder engine and with four-cylinder versions to be manufactured in 1985. Should demand for the engines exceed the planned capacity, production of additional engines up to 350,000, would have to be in the Windsor plant.

Chrysler Canada will increase its total new investment in Canada from the \$681 million in the original agreement of February 81 to \$821 million during 1980-86. The major adjustments to the agreement include: an increase of \$147 million in the T115 van/wagon project; \$161 million for the diesel engine project; \$43 million to continue production in the Pillette Road van plant; removal of the \$138 million originally for the K-car; and a reduction of \$73 million

related to cost savings in operations. In addition, an investment commitment of \$64 million for the diesel engine project has been made for the period beyond 1986 until 1994.

The total investment for the diesel engine project is \$367 million made up of the \$161 million Chrysler investment from 1980-86, the \$64 million from 1987-94, \$125 million for existing assets contributed by Chrysler, \$13 million for prior R&D from Chrysler, and \$4 million for prior R&D from Perkins.

The contribution by Perkins Engines, a world leader in diesel engine technology, will give them a 3 per cent equity in the venture. Perkins Engines will play an important role in the ongoing R&D and in the marketing and distribution of the engines, other than those directly used by Chrysler, through its more than 2,000 dealers and distributors in over 100 countries.

Mr. Gray noted that the agreement arose from the most recent of several proposals involving this project which Chrysler had presented over the past 16 months. The last proposal dealt with both the diesel project and the restructuring of Chrysler's Canadian production plans in the original February '81 agreement.

"We now have an agreement that will put Canada into the world forefront of light-engine diesel technology and provide more employment and investment than the previous agreement," Mr. Gray said.

A key aspect of the diesel project will be Canadian participation in the ER&D activity associated with the engine. The

Canadian operation will receive a worldwide mandate to produce the engine and its derivatives. An \$11 million ER&D Centre will also be established at the Windsor Engine Plant where activity will be centered on further product development, including eventually a "second generation" engine using sophisticated electronic sensing and computer control of fuel injection processes to run on a wide variety of fuels. A minimum of 0.8 per cent of the diesel company's sales revenue will be expended on R&D to cater for future generations of engines, components and fuel systems. Annual expenditures for ongoing engineering will be in addition to this and are estimated to amount to a further 0.8 per cent of sales revenue.

Under the new agreement, Chrysler will not produce a K-car variant in the Pillette Road plant but will continue to produce rear-wheel drive vans and wagons in Windsor as the only North American production facility rather than moving production to the United States as projected in their February '81 operating plan. The Pillette Road plant has been running on a full two-shift basis because of an increased demand for these vehicles over earlier company projections.

It appears that Chrysler's three K-car plants in the United States can satisfy consumer demand for that vehicle and conversion of the Pillette Road facility to also manufacture K-cars in Canada would result in the plant operating on a single shift basis only. This would mean only 1,500 employees rather than the 2,500 now employed.

"Basically, we are keeping the same \$200 million in loan insurance on the table as before," Mr. Gray said, "but we are reallocating it to support projects that make the most sense for the company and maximize employment and economic benefits for Canada."

Federal loan insurance under the new agreement will be increased from \$100 million to \$150 million for the front-wheel drive T-115 van/wagon program, as the additional \$50 million provided for in the original agreement will be directed to the project. This reflects the fact that planned company investment for the T-115 program has risen to \$350 million from \$203 million under the previous agreement because of improvements and expansions in final plant design and program plans. The \$50 million loan insurance originally allocated to the K-car will be reallocated to the diesel engine project.

Chrysler Canada has informed the government that it endorses the federal efforts to have its 6 per cent and 5 per cent compensation guidelines voluntarily accepted. The company said it intends to hold wage and salary increases within these limits for its non-union employees during the two years the federal restraint program is in effect. The company is currently negotiating with its union employees and has informed the government it will make every effort to settle within the guidelines.

The company has also informed the federal government that it will endeavour to keep its price increases to levels in line with the costs incurred for purchased components and consistent with the restoration of profit margins.

"The diesel research and development activity, combined with the world product mandate for the engine, is one of the most attractive aspects of the diesel project for the longer term," Mr. Gray said. "It fits well with our efforts at technology-led restructuring in the Canadian automotive industry. The need for Canada to gain a stronger foothold on this side of the business has become even more evident in today's highly competitive worldwide environment where technological upheaval has transformed the industry".

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FOR FURTHER INFORMATION, CONTACT:

Tom MacDonald

(613) 995-3304

RESTRUCTURING OF CHRYSLER AGREEMENT - BACKGROUND

In February 1981, the Honourable Herb Gray, Minister of Industry Trade and Commerce, announced on behalf of the federal government an agreement to make available loan insurance of up to \$200 million for Chrysler Canada Ltd. This loan insurance was to be in support of investments proposed by Chrysler in Canada of at least \$681 million over the 1980-85 period. The key elements of the agreement included:

- transfer of all of Chrysler's remaining rear-wheel drive car production to the Windsor Car Assembly Plant in 1981;
- replacement of this activity in 1983 by introduction of the new front-wheel drive T-115 van/wagon to be produced in the Windsor Car Plant on a "sole source" product mandate basis (with planned investment for the program of \$203 million);
- moving production of rear-wheel drive vans and wagons from the Pillette Road Assembly Plant to the U.S. in 1984;
- replacement of this activity by introduction of a front-wheel drive K-car variant into Pillette Road in 1984 (with planned investment of \$138 million);
- a total Canadian investment level of \$681 million over 1980-85;
- commitments to maintain minimum average employment levels at Chrysler Canada in relation to employment by Chrysler Corporation in the U.S. (9% in 1980-81; 11% in 1982-86);
- undertakings for increased efforts to source materials, components and services in Canada, to increase Canadian R&D activity, and to restructure Canadian operations to achieve greater autonomy;
- an undertaking not to close any facilities in Canada without the prior approval of the Minister of Industry, Trade and Commerce.

In support of these plans, the Canadian government undertook to make available, commencing in 1983, loan insurance of \$150 million (\$100 million for the T-115 van/wagon project; \$50 million for the K-car conversion). A further \$50 million in loan insurance was also included in the agreement as potentially available for significant additional projects introduced by Chrysler into its plan and acceptable to the Minister of Industry, Trade and Commerce. At the time of the federal loan insurance agreement, the Ontario government also agreed to provide to Chrysler up to \$10 million if Chrysler established a new R&D centre in the province.

Since the February 1981 agreement, a number of changes have taken place related both to the company's investment plans and to market developments and opportunities. These changes led to a number of proposals by the company, the most recent leading to the government agreeing to restructure the agreement.

- First, the projected investment for the T-115 van/wagon project at the Windsor Car Plant has increased substantially from the previous

\$203 million to approximately \$350 million. This reflects improvement and expansion in the final plant design and program plan, e.g. in such areas as the paint facility, an expanded corrosion protection program, enhanced in-plant component fabrication, the latest in robotics technology, new concepts in subassembly supply, and improved inventory and quality control.

- Second, a proposal was received from Chrysler and Perkins Engines regarding the possibility of a major diesel engine design, development and production project at Chrysler's currently-idle Windsor Engine Plant. The project proposal involved a combination of the manufacturing capabilities and existing production facilities of Chrysler Canada with the world-renowned diesel engine expertise of Perkins. It also offered major incremental investment, production and employment benefits for Canada, as well as an important role in R&D related to a product area which shows every sign of being a key to future competitive advantage in the automotive vehicle market.
- and third, passenger car market projections have changed significantly since the February 1981 agreement to the extent that it now appears that the three U.S. plants already converted to K-car production offer Chrysler adequate capacity for this model into the foreseeable future. At the same time, it is expected that there will continue to be a strong demand for the rear-wheel drive vans and wagons now being produced at full double-shift capacity at Chrysler's Pillette Road plant. (This ongoing demand expectation reflects a market segment where power/load ratios and carrying capacity cannot be met by smaller, front-wheel drive trucks and vans as well as the enhanced fuel efficiency offered by availability of a diesel engine for the rear-wheel drive models). Given the forecast of new market circumstances, Chrysler has indicated that, if the Pillette Road plant were to be converted to K-car production (as required in the February 1981 agreement), it would most probably be substantially underutilized. A switch from current two-shift production of rear-wheel drive vans and wagons to one-shift production of K-cars, for instance, could result in an employment reduction of some 1000 jobs.

Taking into account the above developments and the latest proposal put forward by Chrysler, the government discussed with Chrysler the restructuring of the loan insurance agreement in a manner which would offer enhanced employment and economic benefits to Canada, while at the same time allowing for a Canadian investment and production program which would be economically and strategically more attractive to Chrysler. Negotiations have now been successfully concluded with the company on all of the basic elements of such a restructured agreement, including the introduction of the major diesel engine project into Canada. The new agreement will involve an increase in Chrysler's planned Canadian investment program from the level of \$681 million during 1980-85 under the February 1981 agreement to a new level of \$821 million during 1980-86. It is expected that a significant increase in employment at Chrysler's Canadian operations will be achieved, including direct employment of 1,000 persons at the diesel engine facility.

The drafting and signature of a final agreement has yet to be completed and further detailed discussions are necessary. However, the following outlines the major elements which have been agreed to in negotiation with the company:

- continuation of the commitment to introduce the T-115 van/wagon into the Windsor Car Plant in 1983 (with a revised estimated investment cost of \$350 million);
- continued production of rear-wheel drive vans and wagons at the Windsor Pillette Road facility as the sole source in North America;
- investment to use the now closed Windsor Engine Plant to carry out the diesel engine project;
- Chrysler Canada will increase its total new investment in Canada from the \$681 million in the original agreement of February '81 to \$821 million during 1980-86. The major adjustments to the agreement include: an increase of \$147 million for the T115 van/wagon project; \$161 million for the diesel engine project; \$43 million to continue production in the Pillette Road van plant; removal of the \$138 million originally for the K-car; and a reduction of \$73 million related to cost savings in operations. In addition, an investment commitment of \$64 million for the diesel engine project has been made for the period beyond 1986 until 1994.
- an extension by two years of the commitment to maintain minimum average employment levels at Chrysler Canada in relation to employment by Chrysler Corporation in the U.S. (This employment ratio to be maintained at a minimum of 11% over 1982-88, as compared to 11% over 1982-86 under the February 1981 agreement);
- a reinforcement, and extension to the diesel venture, of undertakings related to increased efforts to source materials, components and services in Canada, increased Canadian R&D activity, and restructuring of Canadian operations to achieve greater autonomy;
- retention of the undertaking not to close any facilities in Canada without the prior approval of the Minister of Industry, Trade and Commerce.

The diesel company will be a stand-alone venture 97% owned by Chrysler Canada Ltd. and 3% by Perkins Engines Canada Ltd. Perkins Engines Canada Ltd. will transfer to the venture existing R&D valued by Perkins at \$4 million. The total investment for the diesel engine project is \$367 million made up of the \$161 million Chrysler investment from 1980-86, the \$64 million from 1987-94, \$125 million for existing assets contributed by Chrysler, \$13 million for prior R&D from Chrysler, and \$4 million for prior R&D from Perkins.

Based on current sales volume projections, it is expected that employment at the Windsor Engine Plant will reach 1,000 in 1988 (including 75 in ER&D activity). It is also estimated that, for the initial engine models, some 600 direct jobs will be created at independent Canadian plants supplying components for the engine, and indirect employment in Canada of 1,600 persons. Over the medium term, it is anticipated that this related employment can be substantially increased based on new opportunities for Canadian supply of the diesel engine components, particularly as the engine moves into its higher-technology, derivative versions. The agreement on the diesel project will include undertakings by the companies to pursue these downstream Canadian component supply opportunities, of which one of the most attractive relates to the potential application of the aerospace technology available in the Montreal area.

Under a restructured agreement with Chrysler, including the diesel engine program, the Canadian government will agree to provide up to \$200 million in loan insurance, as was potentially available to the company under the February 1981 agreement. Of this amount, \$50 million will be allocated specifically for the diesel venture, while the loan insurance for the T-115 van/wagon program will be increased from \$100 million to \$150 million. A further \$12 million in repayable contributions will also be made available by the Canadian government to support the diesel venture.

The Ontario government has also participated in the negotiations with respect to the diesel engine project and has agreed to make available in support of this venture \$33 million in loan guarantees and \$10 million in repayable contributions.

CHRYSLER CANADA - FACT SHEET

Direct Jobs: Company and Dealerships (as of June 30, 1982)

<u>Province</u>	<u>Dealerships</u>		<u>Company</u>
	<u>Employees</u>	<u>No.</u>	<u>Employees</u>
British Columbia	1,000	44	51
Alberta	1,290	53	55
Saskatchewan	1,060	46	
Manitoba	830	36	59
Ontario	3,820	162	10,797
Quebec	3,000	128	157
Prince Edward Island)			
Nova Scotia)			
New Brunswick)	1,000	43	56
Newfoundland)			
	<u>12,000</u>	<u>512</u>	<u>11,175</u>

Total jobs for Chrysler suppliers are estimated at 10,000. Companies range from 10 to 600 employees in size. Most activity is in Ontario and Quebec, but some suppliers are located in other provinces: Amcast Foundry in Manitoba and Anacis Auto Terminal in British Columbia are examples:

Some Major Suppliers:

<u>Company</u>	<u>Product</u>	<u>Location</u>
Eaton Yale	Springs	Chatham, Ont.
Goodyear Canada Ltd.	Tires	Valleyfield, Que.
Magna International	Mouldings	Toronto, Ont.
National Auto Radiator	Steel Stampings	Windsor, Ont.
Firestone Canada Ltd.	Tires	Joliette, Que.
Steel Company of Canada	Steel Fasteners, Wire, etc.	Hamilton, Ont.
Waterville Cellular Products	Door Seals	Waterville, Que.
Blackstone Industrial	Radiator	Stratford, Ont.
Reeves Brothers	Foams & fillers	Toronto, Ont.
Kelsey Hayes	Wheels	Windsor, Ont.
Canadian Fram	Filters, controls	Chatham, Ont.

Warehouses

The company operates 6 regional offices, employing over 400 people engaged in such activities as parts supply, sales distribution and warranty handling.

Purchasing Volume

Canadian purchases for Chrysler Corporation and Chrysler Canada Ltd. are expected to reach \$210,000,000 this year and \$340,000,000 in 1983. These purchases involve over 120 vendors and about 1200 different parts.

Volume Exported

Chrysler Canada Ltd. is currently exporting about 80% of its annual vehicle output valued at close to \$2 billion.

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SMALL BUSINESS SECRETARIAT (613) 995-9197

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IMMEDIATE

Subject/Sujet

\$400 MILLION LOAN PROGRAM TAKES EFFECT

SB 9/82

OTTAWA, August 13, 1982 - The \$400 million Small Business Investment Grant Program (SBIG) introduced in the Federal Budget of June 28, 1982 has been approved by Treasury Board and is now operational, according to the announcement today by the Honourable Charles Lapointe, Minister of State (Small Businesses and Tourism).

Under the new program, the federal government will pay up to four percentage points of interest costs for two years on borrowings by small businesses to finance new investment and research and development. The program applies to small business corporations and unincorporated enterprises that carry on an active business, as defined in the Income Tax Act. It is in spirit with the government's six and five per cent guidelines.

The program covers loans for the purchase after June 28, 1982 and before April 1, 1983, of new depreciable property (excluded are land, automobiles, certain other passenger vehicles, or property for lease) and the financing for R&D. The maximum and minimum amounts of loans covered under the measure are \$500,000 and \$10,000.

The Small Business Investment Grant Program is designed to complement relief efforts, existing or planned, at the provincial level.

To benefit from the new SBIG Program, a small entrepreneur negotiates a loan with a financial institution, subject to normal commercial lending practices. The business and the lender certify that the loan qualifies under the program. The federal government will then pay up to four percentage points of interest on the loan on behalf of the borrower to the financial institution.

The four percentage-point grant will be reduced if the grant, either by itself or combined with any other similar aid provided by the federal or provincial governments and other sources, will reduce the interest on the loan to less than 12 per cent.

Mr. Lapointe noted that the government's eligibility criteria and operating procedures have already been established. He also emphasized that borrowers with 10 or more employees will be encouraged to make every effort to comply with the government's six per cent and five per cent economic program.

FOR FURTHER INFORMATION, CONTACT:

Small Business Secretariat
Department of Industry, Trade & Commerce and
Regional Economic Expansion

Tel.: (613) 995-9197

SMALL BUSINESS INVESTMENT GRANTS (SBIG)

WHAT IS A SMALL BUSINESS INVESTMENT GRANT?

A Small Business Investment Grant is an interest grant of up to four per cent per annum for two years, paid to lending institutions on behalf of the borrower by the federal government on loans made to eligible small businesses for specified purposes.

This temporary program, which has a ceiling of \$400 million, is designed to reduce the cost of borrowing for the acquisition of certain new depreciable assets or for the financing of research and development.

WHAT INVESTMENTS ARE ELIGIBLE FOR THE INTEREST GRANT?

Loans for the acquisition of new depreciable assets or the financing of research and development are eligible investments for the interest grant. Loans for the purchase of land, automobiles, certain other passenger vehicles and leasing assets do not qualify.

WHICH SMALL BUSINESSES QUALIFY FOR A SBIG?

Corporations eligible for the low corporate tax rate for small business, partnerships whose members are all individuals, and proprietorships, including farmers and fishermen carrying on active businesses in Canada, are eligible borrowers. Loans cannot be made to businesses engaged in a profession.

OTHER CONSIDERATIONS:

In order to qualify for a Small Business Investment Grant, a loan application must be:

- for an amount not less than \$10,000 and not greater than \$500,000;

- for use in an active business as defined in the Income Tax Act; and
- accompanied by a special form signed by both borrower and lender and filed by the lender with the Department of Industry, Trade and Commerce.

CAN MORE THAN ONE LOAN BE OBTAINED?

Yes, provided that the loans to a business or related group of businesses do not, in the aggregate, exceed \$500,000 and all other terms and conditions are met.

WHAT IS THE INTEREST RATE?

The applicable interest rate is negotiable by the borrower and the lender. The four percentage point grant will be reduced if the grant and any other assistance available would reduce the interest rate to less than 12 per cent.

NOTE:

While there may be some delay in implementing the program, all eligible loans made for property acquired or for research and development expenditures made between June 29, 1982 and March 31, 1983 will be eligible for interest grants.

WHO CAN LEND UNDER THIS PROGRAM?

Loans may be obtained from financial institutions subject to control under federal or provincial legislation, including banks, trust companies, insurance companies, credit unions, Caisses Populaires, the Federal Business Development Bank, the Farm Credit Corporation, a lending agency of the Government of Canada or of a Canadian province or territory, as well as investment companies as defined under the Investment Companies Act. Additional financial institutions may be approved by the Minister as circumstances warrant.

WHERE CAN MORE INFORMATION BE OBTAINED?

If you have any specific questions on eligibility criteria, you may contact the nearest Revenue Canada District Taxation Office. General information on the program may be obtained from the Business Information Centres in the regional offices of the Department of Industry, Trade and Commerce or the Programs Branch of the Department of Industry, Trade and Commerce, 235 Queen Street, Ottawa, Ontario, K1A 0H5, telephone (613) 995-0497.

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JOHN PACKOWSKI

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IMMEDIATE

Subject/Sujet

"6 AND 5" ACTION COMMITTEE FORMED FOR SMALL BUSINESS

SB 10/82 OTTAWA, August 13, 1982 -- The Honourable Charles Lapointe, Minister of State (Small Businesses and Tourism), and Sam Hughes, President of the Canadian Chamber of Commerce, announced today that the Chamber has offered to play a coordinating role in forming a "6 and 5" action committee for small business. The committee will encourage small business to support the Canadian government's restraint program.

Such a committee was discussed at a meeting between five federal Cabinet Ministers and twenty-five small business representatives held in Ottawa on Tuesday, August 10. The proposed group will be drawn from representative small business groups across the country. Mr. Patrick Ussher, a general manager with the Chamber of Commerce, will act as chairman.

In a statement released today, Mr. Lapointe said, "After meeting with representatives from small business Tuesday, I believe there is a great deal of support for the restraint program within this community. The participants at our consultative meeting were eager to see immediate action from the small business sector. The momentum is clearly behind the committee, and I am pleased to note that the initiative for this group came from the small business men and women themselves".

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The Chamber met with Mr. Lapointe Wednesday to discuss the government's restraint program.

Mr. Lapointe was pleased with the Chamber's initiative, and stressed that the committee would be completely autonomous. He noted that the membership would be setting its own priorities.

FOR INFORMATION CONTACT:

John Packowski

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DENNIS COWDERY

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IMMEDIATE

Subject/Sujet

**GOVERNMENT PLEASED WITH AIAC SUPPORT
FOR RESTRAINT PROGRAM**

OTTAWA, August 24, 1982, The Honourable Herb Gray, Minister of Industry Trade and Commerce and Regional Economic Expansion, today was pleased to be informed that the Air Industries Association of Canada (AIAC) has announced its support for the federal government's 6 and 5 per cent wage and price guidelines. Mr. Gray said voluntary restraint by this sector of the high technology industries will assist in the fight against inflation and help the economy move to a path of recovery and growth.

Mr. Gray noted that the Canadian aerospace industry, with total sales of \$2.6 billion in 1981, exports 80 per cent of its output.

In response to President, Jacques DesRoches' statement on the AIAC's support for the federal restraint program, Mr. Gray was encouraged by the consensus achieved by the 125-member association.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Dennis Cowdery

(613) 995-3201



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IMMÉDIATE

Subject/Sujet

**LE GOUVERNEMENT EST SATISFAIT DE L'APPUI DE L'AIAC
A SON PROGRAMME DE RESTRICTION**

OTTAWA, le 24 août 1982, -- Monsieur Herb Gray, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale était heureux d'apprendre aujourd'hui que l'Association des industries aérospatiales du Canada avait annoncé qu'elle appuyait les lignes directrices du gouvernement fédéral touchant les restrictions des hausses des salaires et des prix à 6 et à 5 %. M. Gray a déclaré que si ce secteur de la technologie de pointe faisait volontairement preuve de modération, il contribuerait à lutter contre l'inflation et favoriserait le redressement et la croissance de l'économie.

Monsieur Gray a fait remarquer que l'industrie aérospatiale canadienne, dont le chiffre d'affaires global s'est élevé à 2,6 milliards de dollars en 1981, exporte 80 % de sa production.

En réponse à la déclaration de M. Jacques DesRoches, sur l'appui de l'AIAC au programme de restriction du gouvernement fédéral, M. Gray s'est montré encouragé par le consensus auquel en sont arrivés les 125 membres de l'association.

POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A :

Dennis Cowdery

Tél. : (613) 995-3201

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D. HASSAN

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IMMEDIATE

Subject/Sujet

CORNWALL FIRM AWARDED DIPP GRANT

ITC 81/82

CORNWALL, September 27, 1982 -- The Hon. Ed Lumley, Minister of State (International Trade) announced today on behalf of the Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, that C-Tech Limited of Cornwall, Ontario, has been awarded \$469,889 under the federal Defence Industry Productivity Program (DIPP). The offer represents 50 per cent of the cost of purchasing modern equipment to allow the company to continue production of sonar systems and sonar components. Over a five-year period, the project is expected to generate \$5,100,000 in sales.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related civil exports. For the purpose of DIPP, defence industry is defined as those companies or elements thereof that have, or clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related civil export sales.

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For release/Pour publication

IMMEDIATE

Subject/Sujet

UNE SUBVENTION DU PPIMD A UNE ENTREPRISE DE CORNWALL

I. et C. 81/82

CORNWALL, le 27 septembre 1982 -- Monsieur Ed Lumley, ministre d'Etat (Commerce international) a annoncé aujourd'hui au nom de M. Herb Gray, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, qu'une subvention de 469 889 \$ avait été accordée à la C-Tech Limited, de Cornwall (Ontario) aux termes du programme de productivité de l'industrie du matériel de défense (PPIMD). Cette somme représente 50 % du coût d'achat de l'outillage moderne qui permettra à la société de poursuivre la production des systèmes sonar et de leurs éléments. Le projet devrait permettre de réaliser un chiffre d'affaires de 5 100 000 \$ au cours d'une période de cinq ans.

Le principal objectif du programme de productivité de l'industrie du matériel de défense est de stimuler l'expansion industrielle au Canada. Des sociétés de différents secteurs industriels tels que l'électronique, les transports, l'avionique, la fabrication de matériel de navigation, la technologie spatiale, la métallurgie et la fabrication de moteurs ont recours au programme. En appuyant le développement des technologies de pointe, le PPIMD favorise du fait même les exportations rentables de matériel militaire et d'articles servant à la défense. Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement leur intention d'acquérir un savoir-faire ou de mettre sur pied des installations de production axées sur l'exportation de matériel militaire ou d'articles servant à la défense.

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IMMEDIATE

Subject/Sujet

ATLANTIC COAL INSTITUTE RECEIVES \$1 MILLION IN IAP AID

ITC 82/82

SYDNEY, September 29, 1982 -- David Dingwall, Member of Parliament for Cape Breton East-Richmond, on behalf of the Hon. Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today announced that Mr. Gray's department will provide \$1 million over a five-year period to the Atlantic Coal Institute of the College of Cape Breton under the federal government's Institutional Assistance Program (IAP).

The Atlantic Coal Institute is a non-profit corporation established in 1980 to undertake research and development for the coal industry. The institute has provided a variety of technical services to the industry in Cape Breton, using personnel on a part-time basis. With assistance from Mr. Gray's department, the institute will hire permanent staff, develop and offer its services on a significantly expanded basis. Although the main client of the institute will be the Cape Breton Development Corporation (DEVCO), its services will also be offered to other companies as well as to governments.

The institute is expected to become self-supporting from fees charged for its services.

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IMMÉDIATE

Subject / Sujet

**L'ATLANTIC COAL INSTITUTE REÇOIT DE L'AIDE S'ÉLEVANT A
UN MILLION DE DOLLARS AUX TERMES DU PAEE**

I. et C. 82/82

SYDNEY, 1e 29 septembre 1982 -- Monsieur David Dingwall, député du comté de Cap-Breton-Est - Richmond a annoncé aujourd'hui, au nom de M. Herb Gray, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, l'octroi d'une aide financière de un million de dollars répartie sur cinq ans à l'Atlantic Coal Institute du Collège du Cap-Breton, dans le cadre du programme d'aide aux établissements d'enseignement (PAEE) du gouvernement fédéral.

L'Atlantic Coal Institute est une société à but non lucratif établie en 1980 pour la prestation de services de recherche et de développement à l'industrie du charbon. L'institut a déjà rendu plusieurs services techniques à l'industrie du charbon au Cap-Breton en utilisant du personnel temporaire. Grâce à l'aide financière qu'il s'est vu accorder par le ministre, l'institut mettra au point et offrira une gamme de services considérablement plus étendue. Bien que la DEVCO constitue le plus important client de l'institut au Cap-Breton, les services seront également offerts aux autres compagnies, ainsi qu'aux gouvernements.

Il est prévu que l'institut deviendra autosuffisant financièrement grâce aux honoraires chargés aux clients.

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IMMEDIATE

Subject/Sujet

SMALL BUSINESS LOANS REACH \$220 MILLION IN FIRST SIX MONTHS OF 1982

SB12/82 OTTAWA, September 29, 1982 -- The Honourable Charles Lapointe, Minister of State (Small Business and Tourism), announced today that preliminary figures indicate that loans made under the Small Businesses Loans Act for the first six months of 1982 amounted to \$221,402,824 representing 8,289 loans. This compares to 9,146 loans for \$262,299,178 made during the same period in 1981.

Under the legislation, a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million may obtain guaranteed loans from chartered banks and other designated lending institutions. The loans are used to purchase fixed or movable equipment, purchase or build premises, modernize existing facilities or purchase land for the operation of a business.

Loans must be secured and may be repayable over a 10 year period. The maximum interest rate that can be charged on these loans is bank prime plus 1 per cent, the rate floating with prime during the term of the loan.

The Small Businesses Loans Act came into effect in January, 1961. Since that time, to the end of June, 1982, more than 108,000 loans totalling \$2,182,686,021 have been made.

Attached is a table listing loans by province for the period January 1, 1982 to June 30, 1982.

- 30 -

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LOANS MADE UNDER THE SMALL BUSINESS LOANS ACT
JANUARY 1 TO JUNE 30, 1982

<u>Province</u>		<u>1982</u>	<u>% Change</u>	<u>1981</u>
British Columbia	#	1,896	- 23.2	2,468
	\$	52,229,178	- 30.4	75,001,333
Alberta	#	832	- 8.9	913
	\$	23,146,232	- 7.8	25,115,292
Saskatchewan	#	459	- 10.2	511
	\$	12,482,394	- 15.7	14,811,983
Manitoba	#	217	- 15.2	256
	\$	5,928,647	- 14.4	6,928,765
Ontario	#	1,641	- 3.2	1,695
	\$	46,136,468	- 11.3	52,027,062
Quebec	#	2,786	- 1.3	2,822
	\$	69,200,379	- 6.1	73,692,365
New Brunswick	#	186	+ 2.2	182
	\$	4,502,437	- 16.0	5,358,222
Nova Scotia	#	136	+ 10.6	123
	\$	4,005,023	+ 12.9	3,548,708
Prince Edward Island	#	38	- 9.5	42
	\$	837,903	- 33.3	1,256,861
Newfoundland	#	68	- 34.0	103
	\$	1,935,163	- 38.5	3,145,384
Northwest Territories	#	6	+100.0	3
	\$	441,910	+165.0	166,756
Yukon	#	24	- 14.3	28
	\$	557,090	- 55.3	1,246,447
<hr/>				
Totals	#	8,289	- 9.4	9,146
	\$	221,402,824	- 15.6	262,299,178
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IMMEDIATE

Subject/Sujet

GOVERNMENT ANNOUNCES REFINANCING OF
CANADAIR AND DE HAVILLAND

OTTAWA, October 26, 1982 -- The Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today the Government's intention to seek Parliamentary approval for the injection of \$400 million in equity into the Crown-owned aircraft manufacturers.

This capital will be divided equally, with \$200 million going to Canadair Limited of Montreal and \$200 million going to The de Havilland Aircraft of Canada Limited of Toronto. Earlier this year, the Government moved to strengthen the financial position of both corporations by guaranteeing Canadair's borrowings by up to \$1.35 billion and by up to \$450 million for de Havilland. However, at the same time it was understood that an equity investment might be necessary to strengthen the financial position of both corporations.

"This equity contribution," Mr. Lumley stated, "strengthens the ability of de Havilland and Canadair to weather the very difficult economic conditions faced by aircraft manufacturers around the world. It is the first time the Government has contributed equity to either corporation since their acquisition."



The Minister noted that a federal task force has been reviewing de Havilland's situation for several months and that he has directed that its work be expedited. He has also asked for an immediate update on a previous task force report on Canadair. "The review of these corporations and their programs is one of the Government's main priorities," Mr. Lumley said.

The Government is taking this action as part of an examination of its corporations and the role they play in Canada's strategically important aerospace sector. Currently the fifth largest aerospace industry in the world, the sector had sales of \$2.8 billion last year and employs some 43,000 people. Industry forecasts are for sales of some \$6.5 billion by 1986 and employment of 46,000. Approximately 40 per cent of those sales are attributed to Canadair and de Havilland.

At the present time, Canadair employs approximately 5,225 people. Recently, the corporation launched the Challenger program, the first Canadian-made executive jet. Other programs include the CL-215 amphibious water bomber; a family of military surveillance drones; and participation in a number of major aircraft programs with Boeing, Lockheed and McDonnell Douglas.

De Havilland currently employs some 3,800 people. It is recognized as a world leader in short take-off and landing aircraft, including the DASH-7 commuter aircraft and the DASH-8, now being developed. Other products include the Buffalo tactical transport and the 20-passenger Twin Otter.

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Subject / Sujet

CANADIAN MARCONI RECEIVES \$7.1 MILLION IN DIPP AWARDS

OTTAWA, November 9, 1982 -- The Honourable Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion today announced that, under his department's Defence Industry Productivity Program (DIPP), Canadian Marconi Co. of Montreal has been awarded a total of \$7,135,685 in contracts representing 50 per cent of "eligible costs" for several projects.

The first award, a \$3,856,685 contribution, will permit Canadian Marconi to expand and modernize the production capacity of its Components, Avionics, Telecommunications and Marine and Land Communications divisions in its Montreal facility. The funds will be used for the purchase of 58 pieces of advanced technology production equipment including CAD/CAM (Computer-Aided Design/Computer-Aided Manufacturing) systems. The company expects the resulting improvement in manufacturing processes to create increased sales opportunities through reduced production costs and faster delivery capability.

The Minister also announced repayable contributions of \$1,700,000 for development of Canadian Marconi's Omega Navigation System and \$1,579,000 for the development of a Microwave Landing System (MLS) airborne receiver at the Montreal facility.

The funds for the Omega project will add features to the existing airborne navigation system and reduce production costs. The company expects to increase sales of the Omega System from the current level of \$30 million annually to \$70 million over a four-year period.

The DIPP funds for the Microwave Landing System (MLS) will be used for product development. The MLS is an International Civil Aviation Organization (ICAO) program that will replace the Instrument Landing System (ILS) as the principal commercial landing aid by the year 2000. The MLS will provide greater accuracy, lower ground installation costs and greater operational flexibility than the ILS. Marconi expects total sales for the MLS in the U.S. and Canada to approach 96,000 systems for a possible total value of \$930 million over the next 23 years. Total world-wide sales could reach \$1.53 billion over the same period.

Mr. Lumley emphasized that the primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors, including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and civil exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related civil export sales.

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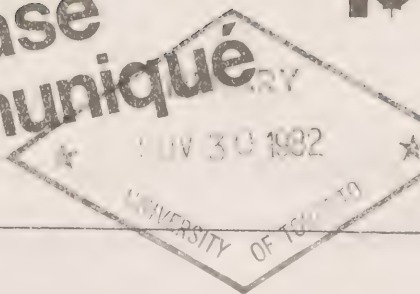
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IMMEDIATE

Subject/Sujet

BRISTOL AEROSPACE AWARDED \$1.2 MILLION DIPP CONTRIBUTION

WINNIPEG, November 10, 1982 -- The Hon. Lloyd Axworthy, Member of Parliament for Winnipeg-Fort Garry, today announced on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, that the Defence Industry Productivity Program (DIPP) has approved a \$1,223,300 non-repayable contribution to Bristol Aerospace Ltd. of Winnipeg, Manitoba, for the purchase of advanced technology production equipment.

Bristol Aerospace will use the contribution to replace old and inefficient production equipment with Computer-Aided Design and Computer-Aided Manufacturing (CAD/CAM) capabilities to produce components for gas turbines, airframes and rockets.

With the DIPP assistance Bristol Aerospace expects to increase its sales by \$23 million over five years. The company currently has a contract to produce components of General Electric Company Ltd.'s F-404 engine slated for use in McDonnell Douglas Aircraft Ltd.'s F-18 fighter aircraft. The company expects the new equipment will help maintain its current employment level of 1,390 jobs with the possibility of an increase to 1,500 jobs by 1984.

The primary objective of the Defence Industry Productivity Program (DIPP) is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing technology directed to defence and defence-related export sales.

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IMMEDIATE

Subject/Sujet

JAPANESE AUTO PARTS PLANT TO BE ESTABLISHED IN B.C.

ITC 87/82

VANCOUVER, November 12, 1982 -- The establishment of an aluminum auto parts manufacturing plant in British Columbia by Toyota Motor Corporation of Japan was announced here today by federal Minister of Regional Economic Expansion and Industry, Trade and Commerce Ed Lumley, B.C. Premier Bill Bennett, B.C. Minister of Industry and Small Business Development Don Phillips, and Toyota Canada Inc. President Yukiyasu Togo.

The facility, planned to be built in the Tilbury Industrial Park in Delta, B.C., represents an investment of \$23 million. Toyota estimates that the initial production will be 240,000 aluminum alloy wheels per year. This will mean 100 skilled jobs at the plant and a substantial number of indirect jobs in the Lower Mainland.

Seventy-five per cent of the wheels will be shipped to Japan for assembly on new vehicles, with the balance destined for the North American parts replacement market.

This announcement included details of a joint federal-provincial decision by Lumley and Phillips to help construct the plant.

The principal element, they said, is a low interest loan of up to \$5.5 million which has been arranged under the Canada-B.C. Industrial Development Subsidiary Agreement Advance Factory Space program. The loan will be cost-shared equally by the federal and provincial governments.

The two ministers pointed out that today's announcement marks the first auto parts manufacturing facility to be established in Canada by a Japanese auto maker. This investment by Toyota signals closer links between the auto industries of the two countries and could lead to a substantial volume of Japanese auto parts manufacturing in Canada in the coming years.

"This is an extremely important development," said Lumley. "It means more skilled jobs for Canadians, a substantial transfer of new technology and an enhanced manufacturing capability which could stimulate further investment in Canada. It is also a very positive way of indicating the Government of Canada's firm resolve to work with the provinces in diversifying the economic base of Western Canada."

"The Toyota plant is entirely consistent with our industrial development strategy -- new, permanent jobs; increased secondary manufacturing and better balance between the resource and other sectors," said Phillips. "Aluminum casting activity for automotive equipment also increases the feasibility of expanded aluminum alloy production and other spin-offs in B.C."

Premier Bennett said, "This project heralds a new dimension in the economic relationship between Canada and Japan which was created through cooperation between the province, the federal government, and industry despite the difficult economic times. It is a positive move against the rising tide of world protectionism, and as such, it will help lead the way in economic recovery."

The federal government and the Japanese auto makers have been discussing the possibility of a Canadian location for auto parts or assembly plants for some time.

British Columbia has been in serious discussions with Toyota on this aluminum wheel project for almost two years. Intensive negotiations involving both governments and Toyota have been underway since April of this year.

Toyota indicated a preference for B.C. because of its location, economical energy supply and proximity to the deep sea transportation terminus.

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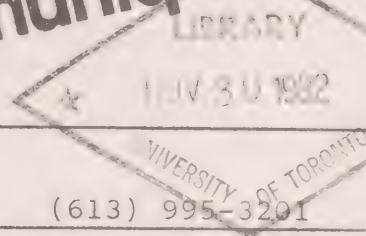
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IMMEDIATE

Subject/Sujet

WALBAR OF CANADA AWARDED \$2.4 MILLION DIPP CONTRIBUTION

ITC 88/82

MISSISSAUGA, November 17, 1982 -- The Hon. Douglas Fisher, Member of Parliament for Mississauga North, today announced on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, that the Defence Industry Productivity Program (DIPP) of Mr. Lumley's department has approved a \$2,419,529 non-repayable contribution to Walbar of Canada Inc. of Mississauga, Ontario, for the purchase of advanced technology production equipment.

Walbar will use the contribution to purchase capital equipment for the manufacture of gas turbine compressor plates and turbine discs. Walbar expects the project to increase its sales by \$41 million over five years and create some 50 new jobs by 1984. The company's new manufacturing equipment will add production volume that is needed in order for it to compete for contracts to produce gas turbine components for both General Electric Company Ltd.'s F-404 engine, slated for use in McDonnell Douglas Aircraft Ltd.'s F-18 fighter aircraft, and the U.S. Army's AGT1500 tank engine.

The primary objective of the Defence Industry Productivity Program (DIPP) is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing technology directed to defence and defence-related export sales.

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IMMEDIATE

Subject/Sujet

NABU AWARDED \$8,970,000 IN FEDERAL FUNDS

IT&C 90/82 OTTAWA, December 6, 1982 -- The Hon. Jean-Luc Pepin, Minister of Transport, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today announced that NABU Manufacturing Corporation has been awarded \$8,970,000 under the Support for Technology Enhanced Productivity (STEP) program of Mr. Lumley's department.

The federal funding to NABU will assist the company in carrying out a massive research and development program in 1982 and 1983 in the fields of cable television and microcomputers.

"We have high expectations for the success of this project," said Mr. Pepin. "NABU has an experienced senior management team and a unique product that will be targetting the growing cable TV market in Canada and the United States. We anticipate that, by the end of 1986, the project will result in 1,295 permanent jobs -- an increase of more than 500 over NABU's current staff."

NABU was created on July 1, 1981, through the amalgamation of several companies engaged in aspects of the computer and telecommunications industry. Its primary thrust is the development, design and manufacture of computer hardware and software and other electronic equipment necessary to supply a wide range of information handling services to homes, offices and educational institutions.

The program to be carried out by NABU with the help of STEP consists of projects in five areas -- CATV (cable television) network development, office communications network development, development of systems software and programming aids, CATV products development and commercial products development.

This federal funding of NABU's R&D program represents the government's third major investment under STEP and its predecessor, the Special Electronics Fund. "This is a strategic, far-sighted investment on the part of the federal government," said Mr. Lumley. "STEP is being used in a visionary manner that will enable Canada to develop a world competitive capability for the market of tomorrow in one of the highest growth, leading edge areas of technology -- the microcomputer."

One purpose of STEP, which was introduced in January 1982, is to assist the high technology electronics industry to take advantage of major growth opportunities with a view to creating in Canada world competitive suppliers of hi-tech equipment. The complementary objective is to encourage other industries which could use electronic equipment to take advantage of the productivity and competitiveness improvements being offered.

For users, STEP offers an industrial information element; provides for the establishment of 10 centres of advanced technology in microelectronics, one in each province; and makes grant incentive programs available for Canadian firms to undertake feasibility studies and implementation projects on the application of modern electronic technology to their products or processes.

STEP's industrial information activities include a series of seminars to increase business and labour awareness of the challenges and opportunities presented by the developments in electronics and to allow them to examine in a practical way the issues surrounding applications of technological development to their operations and/or products.

These seminars, which will begin in the new year, are being sponsored by IT&C/DREE regional offices and interested industry sector associations. Also, the department's regional offices, which are responsible for delivery of STEP, are now accepting applications from companies wishing to participate in any aspect of the program.

"STEP, by focusing on the use and manufacture of electronic goods, will help ensure that Canada maintains its leading position in the electronics revolution," said Minister Lumley.

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OCTOBER 1982 CAPITAL INVESTMENT INTENTIONS SURVEY RELEASED

ITC 90/82

OTTAWA, December 10, 1982 -- The Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today released highlights of the department's October 1982 Survey of Business Capital Investment Intentions of Large Firms. This survey provides an indication of planned investment spending for 1983 of a panel of large firms, based on conditions at the time of the survey.

The survey suggests that business capital investment in 1983 will continue to decline. Companies reporting in this October survey indicate that their real capital spending may decrease by about 8 per cent in 1983 over the 1982 level. The 1982 level, in turn, represents a 6 per cent decrease over 1981.

Mr. Lumley pointed out that the survey reflects the reported plans of a panel of large firms and that, based on past experience, the decrease in their planned investment spending for 1983 may not turn out to be as great as the 8 per cent they are currently estimating. Furthermore, the spending plans of these large firms have not necessarily reflected the spending patterns of small businesses. The present weak demand, excess capacity situation, and reduced profits have all contributed to the weakness in business investment outlays.

After taking such factors into account, the results of the October 1982 survey suggest that, for 1983, actual or realized business spending on new plant and equipment (excluding housing) for all business firms in the economy may be down by 6-8 per cent in real terms. This compares with an estimated decrease of 10-12 per cent for 1982 and real increases of 6.4 per cent in 1981, 7.4 per cent in 1980 and 12.4 per cent in 1979, as presently reported in the National Accounts.

Following are highlights from the October 1982 Survey of Business Investment Intentions of Large Firms.

SURVEY HIGHLIGHTS

(All dollar figures and per cent changes are based on constant 1982 dollars except when otherwise noted.)

- Responding companies indicate their planned level of spending on new plant and equipment in 1983 to be about \$28 billion, a decrease of about 8 per cent or \$2.4 billion from the revised 1982 level.
- Compared with the results of a similar survey conducted in April 1982, the levels of investment reported in October 1982 represent downward revisions of 9.8 per cent to 1982 and 17 per cent to 1983.
- Capital spending by reporting manufacturing corporations on new plant and equipment in 1983 is now expected to be about \$5.1 billion, an 11 per cent drop in real terms from 1982. The food and beverages and transportation equipment industries show relatively strong spending plans for 1983, but other sectors, especially the forest products and primary metals industries, continue to indicate considerable weakness.
- The spending plans of respondents in the non-manufacturing sector in 1983 are expected to exceed \$23 billion, a decrease of 7 per cent over 1982. The only area of notable strength is the trade, finance and other commercial industries. Oil and gas companies' capital spending continues to show some strength.
- On a regional basis, all regions record declines for 1983. Quebec, British Columbia and Ontario show the larger year-to-year decreases.
- The large firms, on average, used a cost adjustment factor of about 10.5 per cent in their capital budgets for 1983, down from the 11 per cent used for 1982.
- Capital investment abroad by those 61 firms who report outward investment is expected to decrease by about 8 per cent in 1983 in current dollar terms, following a drop of 13 per cent in 1982.
- The spending of domestic majority-owned firms on new plant and equipment in 1983 is anticipated to decrease by 13 per cent in real terms compared with an increase of 4.5 per cent for the spending of foreign-owned firms.
- Private firms show a 10 per cent decrease in real capital spending plans for 1983 as compared with a 4 per cent decrease shown by public companies.
- A comparison of this survey's results with those of the April 1982 survey shows an 18 per cent reduction in the level of investment intentions for the 1983-1986 period. Companies presently indicate a total of about \$90 billion (1982 dollars) in investment plans for the medium term.

- A total of about \$18 billion in capital investments that was not included by the large companies in their spending plans was, nevertheless, thought to hold potential for introduction over the medium term. Thirty per cent of these investments under consideration were reported by oil and gas companies, 14 per cent by primary metal companies, and 13 per cent by electric utilities.
- During 1983, the manufacturing companies in the survey panel expect to operate at 78 per cent capacity, up from 76 per cent in 1982, which was down from the 84 per cent rate experienced in 1981.
- Sales are expected to advance by about 12 per cent in 1983, in current dollar terms, above the 1982 level.
- Two-thirds of the survey panel reported that their profit level in 1982 was lower than 1981 levels. About half of the reporting companies expect some improvements in profits in 1983.
- Factors mentioned most often as affecting outlays were expected economic conditions in Canada, cost of funds, expected cash flow, government policies and expected sales.

SURVEY BACKGROUND

The purpose of the Survey of Business Capital Investment Intentions of Large Firms is to provide intelligence on the decision-making process for corporate capital investment and to generate timely material for departmental policy and planning decisions.

The results of the survey reflect capital investment plans reported during the interview period and, as such, are subject to change as the economic climate for business unfolds.

The survey panel comprises about 280 large companies that participate on a voluntary basis. Since these companies are not selected randomly, the overall results for the survey may not be representative of the total economy. It should be noted that all individual company information is kept strictly confidential; neither the names of the corporations nor their individual responses are released.

Historically, the companies in the panel have accounted for about 60 per cent of capital investment for non-agricultural business excluding housing. The total investments of a company are allocated on a "mainline of business" basis. For example, all investment of a mining company would be allocated to mining even though the company may have manufacturing operations or real estate ventures.

The fall 1982 survey was conducted mainly during October 1982. The results presented here include returns received up to November 24, 1982.

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**CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1981, 1982 AND PLANS FOR 1983 -- CANADA**
(Constant 1982 \$ Millions)

<u>Industry</u>	<u>Outlay 1981</u>	<u>Outlay 1982</u>	<u>Planned 1983</u>	<u>1982/81 % Change</u>	<u>1983/82 % Change</u>
Food and Beverages	412.2	365.2	464.7	-11.5	27.2
Forest Products	2,272.8	1,611.6	990.5	-29.1	-38.6
Primary Metals	1,782.2	1,149.5	922.0	-35.6	-19.8
Chemicals	824.5	670.6	559.8	-18.7	-16.6
Transportation Equip.	1,336.4	694.4	870.8	-48.1	25.4
Other Manufacturing	1,543.0	1,223.0	1,268.7	-20.8	3.7
<u>Total Manufacturing</u>	<u>8,171.1</u>	<u>5,714.3</u>	<u>5,076.5</u>	<u>-30.1</u>	<u>-11.2</u>
Mining Companies	2,062.5	1,814.4	1,480.5	-12.1	-18.5
Oil & Gas Companies	6,746.9	7,183.0	7,370.7	6.4	2.6
Oil & Gas Pipelines	1,824.8	2,110.5	1,446.8	15.6	-31.5
Transp. & Storage	2,072.5	1,940.4	1,839.9	- 6.4	- 5.2
Communications	3,030.3	2,900.2	2,297.2	- 4.3	-20.8
Electric Utilities	7,413.0	7,885.0	7,467.5	6.3	- 5.3
Trade, Finance and Other Commercial	1,104.8	1,087.3	1,258.4	- 1.6	15.7
<u>Total Non-Manufacturing</u>	<u>24,254.8</u>	<u>24,920.8</u>	<u>23,161.0</u>	<u>2.7</u>	<u>- 7.1</u>
<u>TOTAL</u>	<u>32,425.9</u>	<u>30,635.1</u>	<u>28,237.5</u>	<u>- 5.6</u>	<u>- 7.9</u>

* Only those firms which reported for the April 1982 and the October 1982 surveys for the years 1981 (actual), 1982 (preliminary actual) and 1983 (intentions) are used in this table, namely 266 firms.

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For release/ Pour publication

IMMEDIATE

Subject/ Sujet

BACKGROUND TO COMMUNITY-BASED INDUSTRIAL ADJUSTMENT PROGRAM (CIAP)

Objective

The major thrust of this program is to encourage firms to undertake viable capital projects in designated Canadian communities in response to serious industrial dislocation situations.

The principal focus of the program is on promising small and medium-size manufacturing and processing firms prepared to undertake projects which would not otherwise be undertaken.

Eligible Areas

Communities are designated by the government for a one-year period, with a possibility of two six-month extensions.

Eligible Applicants

Assistance is available to manufacturing and processing firms undertaking projects to establish, expand or restructure operations in designated communities. The program focus is on:

- Firms in designated communities encountering difficulties as a result of a product or market decline or as a result of inefficient or uncompetitive production methods, and which propose to restructure operations through: the introduction of new or improved products; entry into new or different markets; or modernization or improvement of production facilities;
- Firms in designated communities which wish to expand existing operations to take advantage of new or expanding market opportunities;
- Firms from outside designated communities which wish to enter the community through the acquisition of or merger with a firm in the community or the establishment of operations in the community which will result in a significant increase in manufacturing or processing activity in the community.

The Minister may from time to time designate commercial firms other than those engaged in manufacturing or processing for assistance under this program.

Eligibility Criteria

- The selected firm and project must be viable.
- The project would not be undertaken in the designated community without program assistance.
- The project offers significant net economic benefit to the designated community.
- The project will not create competitive overcapacity in the sector or industry.
- Contractural commitments in respect of the project have not been entered into prior to applications for assistance.

Forms of Assistance

- Non-repayable contributions of up to 75% of consulting costs associated with the development of viable projects for firms in respect of the establishment, expansion or restructuring of operations.
- Non-repayable contributions of up to 75% of consulting costs (including legal and financial advisory costs) associated with merger and acquisition projects which would contribute to the viability of operations of firms.
- Non-repayable contributions of up to 75% of consulting costs associated with a comprehensive analysis of the operations of firms to develop satisfactory plans to restructure operations or to assist in the implementation of satisfactory plans for restructuring or adjustment.
- Repayable interest-free contributions in such amount only as is necessary to cause the project to be undertaken, but in any event, in an amount not exceeding 50% of the eligible capital costs of projects (including the acquisition, construction, expansion, modification or conversion of machinery, equipment or buildings), and an amount not exceeding 50% of eligible pre-production expenses associated with such projects.
- The eligible capital costs of a project and the eligible pre-production expenses must aggregate at least \$100,000.

- The determination of the amount of the repayable contribution to be made a firm will take into consideration the amount or amounts of other federal or provincial assistance given or to be given to the firm in respect of the same project.
- The costs of the acquisition of land are not eligible under the program.

Approval of Support

Decisions on assistance are made by a special Industry and Community Development Panel of the Enterprise Development Board.

Application for Assistance

Application forms and further information on the program are available at Industry, Trade and Commerce regional offices and from the Industry, Trade and Commerce member of the relevant Community Adjustment Committee which will be established in each designated community.

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IMMEDIATE

Subject/Sujet

INDUSTRIAL AND REGIONAL DEVELOPMENT: THE PROPOSAL

OTTAWA, April 29, 1983 -- A new, national program to provide direct financial assistance to industry in all areas of Canada was announced by the Honourable Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion in his House of Commons speech on the Budget.

The new program is designed to promote industrial restructuring and development in all regions of Canada. Firms anywhere in Canada can qualify for assistance under the new program. The level of support provided will be enriched corresponding to the level of regional disparity in each of Canada's 260 census divisions.

In order to provide an equitable and objective basis for determining the level of enrichment, a Development Index will be applied. The Index will be based on unemployment rate, the level of income, and the fiscal capacity of the province in which the census division is located. Using this Development Index, a graduated, four-tier system of financial assistance will be available.

The fourth tier, in which maximum support is available, will be restricted to those areas of Canada where the 5 per cent of the population in greatest economic need reside. The third tier will apply to those areas in which 5 to 20 per cent of the population reside. The second tier will apply to the areas with 20 to 35 per cent of the population and the first level will be applicable to the remainder of the country.

Mr. Lumley said, "For the first time we have a national industrial development program that will be enriched on the basis of regional disparities and that will be available in all parts of the country."

Another important characteristic of the new program is that it applies to all phases of the corporate and product life cycle: industrial infrastructure; industrial innovation; plant establishment; modernization and expansion; marketing; and industrial renewal.

Canada

The Minister emphasized that the new program is designed to make Canadian industry more competitive in order to maximize our potential in both domestic and foreign markets. The program will be particularly sensitive and responsive to the needs of small and medium-size business.

"First, the multiplicity of programs now available from my departments of ITC/DREE will be reduced to seven main programs. The principal one is the Industrial and Regional Development Program. And second, the new program will be simpler, more flexible, more streamlined, and will be delivered locally all across Canada", the Minister said.

To establish realistic industrial development strategies, the Minister will draw upon the support of leaders in the private sector on task forces that will advise the Government on strategies for their industrial sectors.

In addition, the Minister has announced the creation of an Industrial and Regional Development Board with both business and labour representation from across Canada. The Board will advise the Government, through the Minister, on overall industrial policies and strategies.

The new Department's budget, about \$2.5 billion over the next two fiscal years, includes the \$300 million Special Recovery Investment Fund announced in the Budget. These additional funds will be used to more quickly bring on stream major private sector projects of national, regional, or sectoral significance.

THE DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Evolution

"It is no longer enough that one department alone is primarily responsible for regional economic development. I have instructed all ministers in the economic development field to strengthen their departmental organizations and programs in the regions. All economic departments are to play a more direct and active role in regional economic development...The groundwork laid by the Department of Regional Economic Expansion will be substantially augmented by a government-wide focus on regional economic development."

With these words, the Prime Minister announced on January 12, 1982, the Government's decision to restructure federal departments and agencies concerned with economic development.

A cornerstone of that reorganization was the creation of the federal Department of Regional Industrial Expansion (DRIE) through the amalgamation of the regional programs of the Department of Regional Economic Expansion (DREE) and the industry, small business and tourism components of the Department of Industry, Trade and Commerce (ITC).

The restructuring of federal economic development departments was aimed at ensuring effective support of the Government's priorities of regional and industrial development and trade and export promotion. A policy framework on national economic development titled "Economic Development for Canada in the 1980s" sets out the government's strategic priorities in this area.

This framework notes that two realities will dominate Canadian economic development in the 1980s:

- 1) the continued development and expansion of the resource-based industries; and
- 2) the revitalization of industrial capacity towards specialized international competitiveness.

These two forces create new regional dynamics in our Canadian federation as well as new opportunities for growth within and among the different areas of the country. The traditional Canadian economic balance is shifting, largely because of present and forecast resource developments in the West and off the Atlantic coast. For the first time in Canadian history, every region of the country, not only those that traditionally have shown economic strength, may enjoy major opportunities for development.

The process and pace of resource development and industrial restructuring will be of critical importance to the future strength of the economy. As such, an economic development policy and the instruments of its execution must be viewed in both national and regional terms and set in the context of the international marketplace.

Mandate and Priorities

A program bill establishing the Department of Regional Industrial Expansion, has been introduced in Parliament. The new department combines the industry sector expertise of ITC with DREE's regional knowledge and experience in regional delivery of federal economic development assistance programs. DRIE is the focal point and the principal federal department for encouraging investment in viable industrial undertakings in manufacturing, resource processing (and related service industries), tourism and small business.

DRIE's mandate is to increase the economic prosperity of Canadians by promoting productive investments to achieve industrial development and renewal in all regions, thereby contributing to job creation, exports, improved competitiveness and non-inflationary economic development. To accomplish this, the new department will focus on these priority areas:

- productivity and innovation - encouraging investments to develop new products and services and to increase productivity, particularly through innovation, and enhance the competitiveness of Canadian industries.

- market development - developing new export and domestic markets for Canadian products and services and competing more effectively in existing markets.

- industrial renewal - assisting firms and industries, and thereby workers and communities, in making investments to adjust to changing competitive conditions and to enter new, more profitable product and service areas.

- small business - addressing the management, financial, technical and information needs of viable small business enterprises, including tourism.

- regional industrial benefits - ensuring that firms across Canada make necessary investments to share fully on a competitive basis in the industrial benefits generated by major resource and energy projects in Canada and abroad.

DRIE's Operating Principles

DRIE will have seven major programs, the principal one being the Industrial and Regional Development Program. In delivering its programs, the department will act in partnership with private sector initiatives while taking into account regional industrial development priorities and the need to improve regional economic balance.

Government involvement will be targeted to those industries and activities in each region which are likely to have the greatest positive impact and yield maximum return on resources. Departmental operations will be characterized by timely and substantive consultation with provincial governments and business and labour leaders and will be guided by the following principles:

- regional program sensitivity, including skewing of support to less advantaged regions, through use of a statistically-based development index, and decentralized program delivery.

- leverage of private investment to support only selected viable projects and firms where the project would not otherwise proceed in the same timing and scope and where attractive economic benefits are expected.

- export/domestic market development through the identification and pursuit of export markets and import competition opportunities.

- program flexibility to address regional industrial development needs and avoid proliferation of separate programs with different features or approaches.

INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

IRDP -- the Industrial and Regional Development Program -- when approved as proposed to Parliament, will be the core program of the Department of Regional Industrial Expansion. It will be the federal government's principal program to deliver direct assistance to private sector firms.

IRDP will be available in all regions of Canada. It will provide financial assistance to business through grants, contributions, repayable contributions, participation loans and loan guarantees.

The IRDP Program will provide financial assistance for eligible projects over six elements of a product or company cycle.

Enriched support will be available to areas most in need through a graduated scale with four tiers. This will enable the department to both promote development in areas of greater economic disparity and also provide a basic level of support on a national basis.

The amount of support offered would vary within these sharing ratios depending upon the nature of the project, the need for program support, value for money and departmental objectives.

PROGRAM ELEMENTS

1) Industrial Infrastructure

- a) Assistance for operating or capital costs may be made available to economic, business or technological institutes for studies and specialized common services having significant and direct benefits for regional development.

Availability

Tier I
Tier II
Tier III
Tier IV

- b) Infrastructure directly related to regional industrial development may be supported on a shared cost basis.

Availability

Tier II
Tier III
Tier IV

2) Innovation

a) Studies

Assistance may be made available toward the cost of qualified consultants for studies on project feasibility, technology transfer, market research and venture capital search associated with prospective innovation projects.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Developing New Products or Processes

Assistance may be provided for projects to develop new or improved products or processes. These must be scientifically feasible, entail significant technical risk and represent attractive prospects for commercial exploitation. Eligible costs are those current, incremental and project-related ones necessary to bring a product or process to commercial production. This includes the demonstration of prototypes.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

c) Developing Technological Capability

Projects which do not lead directly to identifiable sales may be supported if the development is of strategic importance to the firm and the regional industrial development priorities of the government.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

d) Development, Design, Demonstration and Engineering

Projects to develop new products or processes, but which do not entail significant technological risks may be supported in a way similar to those in section b) above. However, this assistance, intended mainly for small-and medium-sized businesses, will be repayable upon successful completion of the project.

<u>Availability</u>	<u>Maximum Repayable Share</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

3) Establishment

a) Studies

Funding may be provided to the cost of qualified consultants for studies of project feasibility, market research or venture capital search associated with a prospective establishment project.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Plant Establishment

Funding may be made available for the establishment of new production facilities for manufacturing or processing, selected service sectors related to industry or major tourism projects.

Eligible costs are capital costs including buildings, machinery and equipment, capitalized preproduction costs and directly related infrastructure.

<u>Availability</u>	<u>Maximum Cost Sharing Ratios</u>	<u>Minimum Approved Capital Costs</u>
Tier II	35%	\$100,000
Tier III	50%	50,000
Tier IV	50%	25,000

4) Modernization/Expansion

a) Studies

Assistance may be provided for consultants to undertake project feasibility studies, market research, venture capital search, and productivity improvement (audit and implementation) for projects associated with modernization, productivity improvement or expansion.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Modernization

Assistance may be made available for the acquisition of new, advanced machinery and equipment which significantly enhances the productivity of existing activities in manufacturing and processing, and selected services related to industry.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>	<u>Minimum Approved Capital Costs</u>
Tier I	25%	\$250,000
Tier II	35%	100,000
Tier III	50%	50,000
Tier IV	50%	25,000

c) Expansion

Assistance may be made available for the expansion of existing manufacturing or processing production facilities, as well as those in selected service sectors related to industry or major tourism projects. Eligible costs are capital costs including buildings, machinery and equipment, and capitalized preproduction costs.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>	<u>Minimum Approved Capital Costs</u>
Tier I	25%	\$250,000
Tier II	35%	100,000
Tier III	50%	50,000
Tier IV	50%	25,000

Note: In Tier I, assistance will be targeted to the most promising areas of industrial potential and comparative advantage.

d) Adaptation of Microelectronics Technology

Funding may be provided to manufacturers and processors for the first installation of microelectronic devices in their products and operations. Contributions up to \$10,000 may be provided for feasibility studies by consultants. Contributions up to \$100,000 may be provided to apply microelectronic devices to products or processes or to design custom microelectronic devices.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

5) Marketing

a) Studies:

Funding may be made available for consultants to undertake studies in market research and marketing strategies for persons engaged in manufacturing and processing, selected services related to industry and major tourism projects.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Program for Export Market Development (PEMD)

Although not part of IRDP, PEMD will be delivered by DRIE on behalf of the Department of External Affairs in support of DRIE's continuing responsibilities for trade promotion in Canada.

All Tiers are eligible

6) Renewal

a) Studies

Assistance may be provided for consultants to undertake studies of project feasibility, market research, and venture capital search associated with prospective renewal projects.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Restructuring

Loan guarantees (up to 90%) may be provided on a last resort basis in all tiers. An annual 1% insurance fee could be levied.

Projects involving loans of less than \$500,000 will normally be referred to the Federal Business Development Bank (FBDB) which can better serve this level of business clientele through its direct lending activities.

For some companies which do not find loan guarantees sufficiently useful, repayable contributions (up to 25% in all tiers) may be provided. Eligible costs are buildings, machinery and equipment, and capitalized preproduction costs.

General Suggested Program Criteria

1) Incrementality

No project may be supported unless it would likely not proceed, insofar as location, scope or timing are concerned, unless support is provided.

2) Commercial and Economic Viability

The project and persons undertaking the project must be considered to be economically and commercially viable within reasonable bounds of risk.

3) Significant Economic Benefits to Canada

The project and exploitation of the results of the project must represent significant net economic benefit to Canada within reasonable bounds of risk.

4) Eligible Persons

Individuals, corporations, partnerships, cooperatives and non-profit organizations, regardless of ownership or taxation status, are eligible provided the project is undertaken in Canada.

5) Amount and Conditions of Program Support

Eligible projects will not necessarily be supported at the maximum levels. The minimum amount of financial support required for the project to proceed and for economic benefits to be maximized will be provided.

6) Targeting Program Support

Priorities will be set after consultations with the private sector and other interested persons. Project proposals will be given a ranking in accordance with priorities and the economic benefits of the project. Regional development considerations will be of paramount importance.

INDUSTRIAL AND REGIONAL DEVELOPMENT
PROGRAM (IRDP)

PROGRAM ELEMENT	ELIGIBLE PROJECTS	MAXIMUM CONTRIBUTION LEVEL OF ELIGIBILITY*				AUTOMATIC LEVEL OF SUPPORT
		NEGOTIATED LEVEL OF SUPPORT				
		<u>TIER I</u>	<u>TIER II</u>	<u>TIER III</u>	<u>TIER IV</u>	
Industrial Infra- structure Element	Economic development studies, common services at institutes and centres	Eligible	Eligible	Eligible	Eligible	
	Infrastructure related to industry	Not Eligible	Eligible	Eligible	Eligible	
Innovation Element	Consultant studies on technology transfer, project feasibility, market research, venture capital search	50%	60%	75%	75%	
	Development of new product or processes	50%	60%	75%	75%	
	Development of techno- logical capability	50%	60%	75%	75%	
	Design, development demonstration, engineering	50%	60%	75%	75%	

* Crown contribution over \$1 million in all tiers is subject to reduced level of support.

INDUSTRIAL AND REGIONAL DEVELOPMENT
PROGRAM (IRDP)

PROGRAM ELEMENT	ELIGIBLE PROJECTS	MAXIMUM CONTRIBUTION LEVEL OF ELIGIBILITY*				AUTOMATIC LEVEL OF SUPPORT
		TIER I	TIER II	TIER III	TIER IV	
Establishment Element	Consultant studies on project feasibility, market research, venture capital search	50%	60%	75%		75%
	Establishment of buildings, machinery and equipment and related infrastructure	Nil	35%	50%		50%
Modernization/ Expansion Element	Consultant studies on project feasibility, market research, venture capital search	50%	60%	75%		75%
	Modernization: machinery and equipment	25%	35%	50%		50%
	Expansion: buildings machinery, and equipment	25%	35%	50%		50%
	Adaptation of microelectronic technology	50%	60%	75%		75%

* Crown contribution over \$1 million in all tiers is subject to reduced level of support.

INDUSTRIAL AND REGIONAL DEVELOPMENT
PROGRAM (IRDP)

PROGRAM ELEMENT	ELIGIBLE PROJECTS	MAXIMUM CONTRIBUTION LEVEL OF ELIGIBILITY*				AUTOMATIC LEVEL OF SUPPORT
		NEGOTIATED LEVEL OF SUPPORT				
		<u>TIER I</u>	<u>TIER II</u>	<u>TIER III</u>	<u>TIER IV</u>	
Marketing Element	Consultant studies for market research, marketing strategies	50%	60%	75%	75%	
	Domestic marketing - domestic trade fairs, information dissemination, cataloguing	Eligible	Eligible	Eligible	Eligible	
Renewal Element	Consultants studies on project feasibility, market research, venture capital search	50%	60%	75%	75%	
	Restructuring (loan guarantee)	Eligible	Eligible	Eligible	Eligible	
	Restructuring	25%	25%	25%	25%	

* Crown contribution over \$1 million in all tiers is subject to reduced level of support.

TARGETING FEDERAL INDUSTRIAL ASSISTANCE BY REGIONS

A fact of life in Canada is that some regions of the country are better off economically than others. The federal government is committed to narrow this gap and assist all Canadians in achieving an enriched standard of living. To meet this priority for industrial development it is necessary to identify those areas that need additional federal financial assistance. This process is referred to as targeting.

The department's new program, the Industrial and Regional Development Program (IRDP) is being designed to distribute federal financial assistance more effectively than ever before.

The Development Index

To establish the levels of assistance, a formula, or development index is being designed. When finalized the development index will ensure equitable and objective selection of targeted areas. The regions will be selected according to Canada's 260 census divisions which are the smallest discrete areas of Canada for which sufficient historical data are available on a nationally consistent basis.

Three measurable factors are being proposed to calculate the formula for the index:

- a) the level of unemployment in a district (based on cumulative averages beginning with 1976 available data);
- b) the level of income per person in a district (based on cumulative averages beginning with 1978 available data);
- c) the fiscal capacity of the province in which the district is located (based on averaging annual available data).

Each of the above three factors will be assigned different weights. The objective is to choose percentages that will reflect the traditionally accepted measurements of economic hardship as used in other statistical data bases. The fact that historical data bases will always be included when the formula is evaluated each year will assure long term commitment to structurally based economic development in each district.

The Tiers

The IRDP will provide specific levels of assistance in four tiers. The level of assistance available will depend in which tier a firm is located.

The regions designated in the tiers will not remain static. Tier designations will be evaluated annually against changes in statistical data, trends in economic development, and population variances to either add or delete regions.

The cut-off between the tiers themselves is proposed to be:

- Tier IV - those regions in which the 5% most economically disadvantaged Canadians reside;
- Tier III - those regions in which the next 5% to 20% in terms of economic disparity reside;
- Tier II - those regions in which the next 20% to 35% of the population reside; and
- Tier I - those regions in which the remainder of the population reside.

CONSULTATION WITH THE PRIVATE SECTOR

A major goal of the Department of Regional Industrial Expansion will be effective consultation with the private sector.

This will be accomplished in two distinct areas: the formation of a national Industrial and Regional Development Board and industry sector task forces.

Industrial and Regional Development Board

This Board will be co-chaired by business and labour and will have members from each group. This Board will advise the government, through the Minister of Regional Industrial Expansion, on policies relating to the expansion and development of the industrial capability in all regions of Canada. In this way, the government will be able to receive views on emerging policies, strategic directions and program modifications of DRIE.

It is expected that the Board will be asked to make recommendations on:

- a) objectives and priorities for regional industrial policy;
- b) improvements in the design and implementation of regional policies and programs;
- c) improvements in the coherence of regional industrial and trade policy;
- d) implications of the government's economic policy and priorities to regional industrial development.

In addition, the Board is expected to provide advice on:

- a) selection of strategic sectors;
- b) designation of geographic areas of Canada for special support;
- c) priorities for the portfolio allocation of the department's financial resources; and
- d) the department's agenda for industry policy research.

Industry - Sector Task Forces

Sector specific task forces will be named as needed, for limited periods, to report to the Minister on strategic initiatives for their sectors. Three business/labour task forces have already been established to advise the Minister on strategy and priorities for the aerospace, automotive and forest products industries. These three sectors each face significant developmental opportunities and challenges, which business and labour have agreed to address through a concerted effort.

This sector specific task force approach will be continued and extended to other selected key industries as advice and assistance is sought by Ministers.

Contact/Liaison

ROBIN BUTLER

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For release/Pour publication

IMMEDIATE

Subject/Sujet

**FEDERAL BUSINESS DEVELOPMENT BANK EXPANDS CLIENT SERVICES AND
PROGRESSIVELY DEVELOPS ROLE OF "MERCHANT BANKING"**

OTTAWA, May 2, 1983 -- An expanded role for the Federal Business Development Bank was announced today by the Hon. William Rompkey, Minister of State for Small Businesses and Tourism.

"To fill a clear gap in the financial services available to small businesses, the Federal Business Development Bank will progressively develop its 'merchant banking' role," the Minister said. "I expect them to be deal-makers packaging the financing required by smaller firms. Until now, small firms that couldn't obtain financing from one source had few ways of putting a package together."

The Bank will help raise equity capital in a number of ways. They might package the deal, using other sources, for a fee. They may participate along with other financial institutions or they may guarantee the loans made by other institutions. The Bank will often take a minority position in the firm with the intent to sell the shares in a few years.

"Each deal will be handled individually but the goal is to help smaller firms raise the capital they need. This role of FBDB will be complementary to the traditional roles of term lending and providing client services. It combines the features of both." Mr. Rompkey said.

The Minister also stated the FBDB would increase its efforts outside the major urban centres of Canada. It is in those areas that customers feel they require more help than is being provided by other financial institutions. The Bank will assist smaller firms in the preparation of their proposals to other lenders.

"This new role of the Bank provides an added benefit to small businesses at the time that they have received significant assistance in the recent Budget," said Mr. Rompkey. "Addressing their needs through the tax system was requested by every small business group and association to whom I spoke. That has been done in the recent Budget and when those measures are combined with this new thrust of the Federal Business Development Bank, I believe small businesses will play a significant role in Canada's economic recovery now underway."

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LIBRARY NEWS RELEASE

SPECIAL RECOVERY INVESTMENT FUND

Contact	For release
J.M. VINCENT (613) 992-0371	IMMEDIATE
Subject	
FEDERAL CONTRIBUTION HELPS CREATE 715 JOBS FOR WESTINGHOUSE CANADA	

HAMILTON, August 24, 1983 -- Westinghouse Canada Inc has accepted a federal contribution of \$8,799,885 under the new Industrial and Regional Development Program to develop a new generation of advanced gas turbines for use in power generation. The funding will be applied over a five-year period.

In a joint announcement in Hamilton today, Industry, Trade and Commerce and Regional Economic Expansion Minister Ed Lumley and Indian and Northern Affairs Minister John Munro said that this multi-million dollar project will create 715 new jobs, of which 615 will be in Hamilton and 100 in Renfrew, Ontario.

A similar announcement was made in Renfrew by Len Hopkins, Member of Parliament for Renfrew-Nipissing-Pembroke.

Mr. Lumley said that Canadian content in the new turbines will be around 80 per cent. The project will be carried out in Hamilton and Renfrew by Westinghouse Canada's turbine and generator division which currently has world product mandates from its parent for smaller gas and steam turbines. Total direct project costs are expected to be close to \$33 million.

He noted that the federal government assistance constitutes one of the first awards under the new Industrial and Regional Development Program. Monies from the Special Recovery Investment Fund announced in Finance Minister Lalonde's recent budget will make funding for this project possible.

Mr. Munro said the development of a new generation of gas turbines with their increased capacity and high thermal efficiency will broaden the company's product base and establish it as a major integrated international gas turbine manufacturer.

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FOR FURTHER INFORMATION, CONTACT:

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Canada

COMMUNIQUÉ

FONDS SPÉCIAL DE RELANCE DES INVESTISSEMENTS

Liaison

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(613) 992-0371

Pour publication

IMMÉDIATE

Sujet

UNE CONTRIBUTION FÉDÉRALE AIDE A CRÉER 715 EMPLOIS
A LA WESTINGHOUSE CANADA

HAMILTON, le 24 août 1983 -- Le gouvernement fédéral a offert à la Westinghouse Canada Inc. une contribution de 8 799 885 \$, dans le cadre du nouveau programme de développement industriel et régional (PDIR), laquelle servira à mettre au point un nouveau type de turbines à gaz perfectionnées devant générer de l'énergie. Le financement de ce projet s'échelonnnera sur une période de cinq ans.

En faisant cette annonce conjointement aujourd'hui, à Hamilton, M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, et M. John Munro, ministre des Affaires indiennes et du Nord ont déclaré, que ce projet, qui sera réalisé au coût de plusieurs millions de dollars, amènera la création de 715 emplois, dont 615 à Hamilton et 100 à Renfrew, en Ontario.

Une annonce identique a été faite à Renfrew par M. Len Hopkins, député de Renfrew-Nipissing-Pembroke.

M. Lumley a affirmé qu'environ 80 % des pièces des nouvelles turbines seront fabriquées au Canada. Les travaux seront effectués à Hamilton et à Renfrew par la Division des turbines et des génératrices de la Westinghouse Canada qui, actuellement, est chargée par la société mère de fabriquer des petites turbines à gaz et à vapeur. Le coût total direct du projet devrait atteindre près de 33 millions de dollars.

M. Lumley a fait remarquer que cette contribution fédérale est l'une des premières à être offertes au titre du nouveau programme de développement industriel et régional. Ce projet sera réalisé grâce aux sommes allouées au titre du Fonds spécial de relance des investissements annoncé par le ministre des Finances, M. Lalonde, dans le récent budget.

Selon M. Munro, la mise au point d'un nouveau type de turbines à gaz d'une plus grande capacité et d'un plus grand rendement thermique permettra à la société d'élargir son assortiment de produits et de se faire reconnaître internationalement comme grand fabricant de turbines à gaz.

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POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A :

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et Commerceand Regional
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economique regionale

NEWS RELEASE

SPECIAL RECOVERY INVESTMENT FUND

Contact

SEE LIST AT END

For release

IMMEDIATE

Subject

**MONTREAL FIRMS AWARDED OVER \$1.3 MILLION IN DIPP CONTRIBUTIONS
UNDER SPECIAL RECOVERY INVESTMENT FUND**

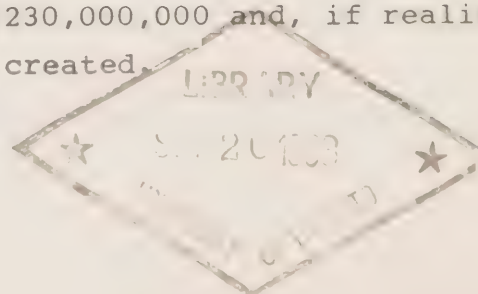
ITC 13/83

MONTREAL, August 26, 1983 -- Three Montreal firms have been offered contributions totalling \$1,368,747 under the \$300 million Special Recovery Investment Fund announced in the April 1983 federal budget to strengthen private investment in the early stages of Canada's economic recovery. The companies -- CAE Electronics, Supreca Inc. and Preci-Tech Ltd. -- applied for assistance through the Defence Industry Productivity Program (DIPP).

The announcement was made today by Louis Desmarais, Member of Parliament for Dollard, on behalf of the Minister responsible for the fund, the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion.

Mr. Desmarais said the largest contribution, \$1,275,000, will be used by CAE Electronics towards the cost of research and development of a helmet mounted display for use in military flight simulators and for systems integration and additional development of a prototype combat mission trainer.

This engineering development phase is part of a project originally approved in July 1981. The project is aimed at producing sophisticated, compact, low-cost visual systems for flight simulators for military combat training applications. Assistance for earlier advanced development phases amounted to \$381,931. Over eight years, the potential market is estimated to be \$230,000,000 and, if realized, it is anticipated that 535 jobs would be created.



Supreca Inc. will use its \$73,341 contribution towards becoming a qualified supplier of marine valves for use in naval submarines and aircraft structural components to General Dynamics Manufacturing Ltd.'s Convair Division of San Diego, California. The company expects the project will help maintain 54 jobs and generate at least \$1 million in sales over the next two-and-one-half to five years.

The third contribution, \$70,406, will go to Preci-Tech Ltd. The company, which will use the funds towards the cost of purchasing advanced production equipment for manufacturing, expects the project to create 11 jobs and generate \$7 million in sales over five years.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

FOR FURTHER INFORMATION, RE:

CONTACT:

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Supreca Inc.
Preci-Tech Ltd.

G.K. Dimock	(613) 593-4481
D.S. Crombie	(613) 992-1051
L. Otupiri	(613) 593-4481

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NEWS RELEASE

20103

SPECIAL RECOVERY INVESTMENT FUND

Contact

R. ST-AMOUR (613) 992-1751

For release

IMMEDIATE

Subject

DAVIE SHIPBUILDING GETS \$1.4 MILLION FEDERAL AID

LAUZON, September 2, 1983 -- Davie Shipbuilding Limited has been awarded a total of \$1,451,634 for 14 projects under the \$300 million Special Recovery Investment Fund.

In announcing this today on behalf of the Minister responsible for the fund, the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Gaston Gourde, Member of Parliament for Lévis, said the awards were for 14 different projects, including the acquisition of mobile equipment and improvements to cranes and to worker safety.

Implementation of these projects will result in orders worth \$1,785,900 being placed with other Canadian companies.

The Special Recovery Investment Fund enables the Minister of ITC/REE to deploy funds with speed and flexibility across the full range of the two departments' programs.

The company applied for assistance under the Shipbuilding Industry Assistance Program (SIAP). This program is in two parts: a production assistance section that provides assistance to shipbuilders to build or convert ships in Canada, and a performance improvement section. The concept of performance improvement includes: (a) the acquisition of equipment or facilities with the necessary support services; (b) development and implementation of management and production control systems; (c) attention to worker safety; (d) attention to worker facilities and services to improve working conditions; (e) activity concerned with labour-management relationships and personnel motivation; and (f) activity concerned with shipbuilding technology.

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For further information, contact: R. St-Amour, (613) 992-1751



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FONDS SPÉCIAL DE RELANCE DES INVESTISSEMENTS

Liaison

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Pour publication

IMMÉDIATE

Sujet

**LES CHANTIERS DAVIE LTÉE REÇOIVENT UNE AIDE FÉDÉRALE DE
1,4 MILLION DE DOLLARS**

LAUZON, le 2 septembre 1983 -- Les Chantiers Davie Ltée se sont vu accorder de l'aide totalisant 1 451 634 \$ pour la réalisation de quatorze projets aux termes du Fonds spécial de relance des investissements de 300 millions de dollars.

En faisant cette annonce aujourd'hui, au nom du ministre chargé de l'administration du fonds, M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Gaston Gourde, député de Lévis, a déclaré que les subventions visaient 14 projets distincts, dont l'acquisition de matériel mobile, l'amélioration du système de grues et des mesures reliées à la sécurité des travailleurs.

La réalisation de ces projets permettra à la société de placer des commandes d'une valeur de 1 785 900 \$ auprès d'autres sociétés canadiennes.

Le Fonds spécial de relance des investissements permet au ministre du MIC-MEER d'allouer rapidement et avec souplesse des ressources financières pour la réalisation de toute la gamme de programmes des deux ministères.

La société a présenté une demande d'aide aux termes du programme d'aide aux constructeurs de navires (PACN). Le programme comporte deux volets : le volet " production " qui permet d'offrir de l'aide aux chantiers navals pour construire ou convertir des navires au Canada, et le volet " améliorations du rendement " qui englobe :

- a) l'acquisition de matériel ou d'installations comportant les services de soutien nécessaires; b) l'élaboration et la mise en oeuvre de systèmes de contrôle de la gestion et de la production; c) les mesures de sécurité au travail; d) les mesures touchant les installations et les services en vue d'améliorer les conditions de travail; e) toute activité concernant les relations entre la direction et les employés et la motivation du personnel; et f) toute activité ayant trait aux techniques de construction des navires.

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News Release

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and CommerceIndustrie
et CommerceRegional Economic
ExpansionExpansion économique
régionale

Contact/Liaison

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For release/Pour publication

IMMEDIATE

Subject/Sujet

SMALL BUSINESS LOANS RISE IN FIRST HALF OF 1983

OTTAWA, September 6, 1983 -- Small businesses borrowed more than \$301 million under the loan facilities of the Small Businesses Loans Act in the first half of this year. In announcing this today, David P. Smith, Minister of State (Small Businesses and Tourism) said that between January 1 and June 30, 1983, 11,600 loans amounting to \$301,431,498 were guaranteed under the legislation. This compares with 8,530 loans for \$228,479,174 reported in the same period in 1982, and represents increases of 36.0 per cent in numbers and 31.9 per cent in dollars.

Under the legislation, a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million per year in the year of application may obtain guaranteed loans from chartered banks and other designated lenders. The loans are to be used to purchase fixed or moveable equipment, purchase or build premises, modernize existing facilities or purchase land for the operation of a business.

Loans must be secured and may be repayable over a 10-year period. The maximum interest rate that can be charged on these loans is bank prime plus 1 per cent, the rate floating with the bank's prime during the term of the loan.

The Small Businesses Loans Act came into effect in January 1961. Since that time, to the end of June 1983, 128,000 loans totalling \$2,717,074,532 have been made.

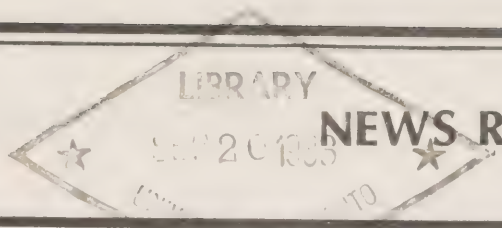
Attached is a table listing loans by province for the period January 1 to June 30, 1983.

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FOR FURTHER INFORMATION, CONTACT: W.S.D. Hendry, (613) 995-0497

LOANS MADE UNDER THE SMALL BUSINESSES LOANS ACT
JANUARY 1 TO JUNE 30, 1983

<u>Province</u>		<u>1983</u>	<u>% Change</u>	<u>1982</u>
British Columbia	#	2,181	+ 12.1	1,946
	\$	54,711,862	+ 1.3	54,008,125
Alberta	#	937	+ 8.7	862
	\$	22,854,510	- 5.2	24,099,965
Saskatchewan	#	647	+ 34.2	482
	\$	16,575,169	+ 26.8	13,074,779
Manitoba	#	354	+ 59.5	222
	\$	8,739,090	+ 47.7	5,918,467
Ontario	#	2,466	+ 45.7	1,692
	\$	66,740,873	+ 39.8	47,738,649
Quebec	#	4,209	+ 47.5	2,853
	\$	111,210,613	+ 56.5	71,049,296
New Brunswick	#	362	+ 89.5	191
	\$	9,594,228	+108.4	4,604,812
Nova Scotia	#	212	+ 51.4	140
	\$	5,229,750	+ 28.6	4,065,775
Prince Edward Island	#	56	+ 43.6	39
	\$	1,295,079	+ 60.4	807,303
Newfoundland	#	135	+ 92.9	70
	\$	3,205,062	+ 71.6	1,868,003
Northwest Territories	#	18	+157.1	7
	\$	552,202	+ 5.8	521,910
Yukon	#	23	- 11.5	26
	\$	723,060	+ 0.1	722,090
<hr/>				
Totals	#	11,600	+ 36.0	8,530
	\$	301,431,498	+ 31.9	228,479,174



NEWS RELEASE

SPECIAL RECOVERY INVESTMENT FUND

Contact	For release
D.B. HASSAN (613) 593-4481	IMMEDIATE
Subject	
HERMES ELECTRONICS LTD. AWARDED DIPP CONTRIBUTIONS UNDER SPECIAL RECOVERY INVESTMENT FUND	

ITC 14/83

DARTMOUTH, September 9, 1983 -- Hermes Electronics Ltd., of Dartmouth, Nova Scotia, has been offered a contribution of \$900,000 under the \$300 million Special Recovery Investment Fund announced in the April 1983 federal budget to strengthen private investment in the early stages of Canada's economic recovery. Hermes Electronics' application for assistance was made through the Defence Industry Productivity Program (DIPP).

In making the announcement today on behalf of the Minister responsible for the Fund, the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, the Hon. Gerald Regan, Minister of State (International Trade), said Hermes Electronics will use the contribution towards becoming a qualified supplier of an ANSSQ 53B Mark II Sonobuoy. The company expects the project to create 30 jobs, maintain approximately 45 others, and generate \$14.2 million in sales initially.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

FOR FURTHER INFORMATION, CONTACT: D.B. Hassan, (613) 593-4481

COMMUNIQUÉ

FONDS SPÉCIAL DE RELANCE DES INVESTISSEMENTS

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Pour publication

IMMÉDIATE

Sujet

DES CONTRIBUTIONS DU PPIMD PUISÉES A MÊME LE FONDS
SPÉCIAL DE RELANCE DES INVESTISSEMENTS SONT ACCORDÉES
A LA SOCIÉTÉ HERMES ELECTRONICS LTD.

I. et C. 14/83

DARTMOUTH, le 9 septembre 1983 -- La société Hermes Electronics Ltd., de Dartmouth (Nouvelle-Écosse), s'est vu offrir une contribution de 900 000 \$ aux termes du Fonds spécial de relance des investissements de 300 millions de dollars annoncé dans le budget fédéral d'avril dernier et destiné à renforcer les investissements du secteur privé dès le début de la relance économique au Canada. La société Hermes Electronics Ltd. a présenté une demande d'aide au titre du programme de productivité de l'industrie du matériel de défense (PPIMD).

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale dont relève le fonds, M. Gerald Regan, ministre d'État (Commerce international), a précisé que la Hermes Electronics utilisera la contribution afin de devenir un fournisseur agréé d'un appareil Sonobuoy ANSSQ 53B Mark II. Selon la firme, la réalisation du projet devrait amener, au départ, la création de 30 emplois, le maintien d'environ 45 autres et susciter des ventes de 14,2 millions de dollars.

Le principal objectif du programme de productivité de l'industrie du matériel de défense consiste à stimuler la croissance industrielle au Canada. Des entreprises d'une vaste gamme de secteurs industriels tels l'électronique, les transports, l'avionique, la fabrication de matériel de navigation, la technologie spatiale, la métallurgie et la fabrication de moteurs ont recours au programme. En appuyant le développement de technologies de pointe, le PPIMD favorise du fait même les exportations rentables de matériel militaire et d'articles servant à la défense.

Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement l'intention d'acquérir les compétences ou de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

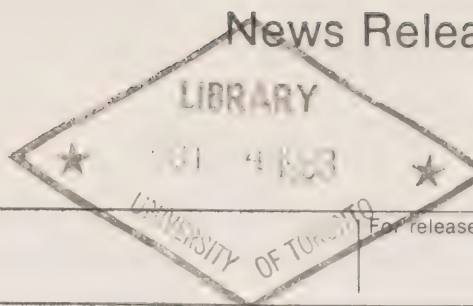
- 30 -

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Canada



Contact/Liaison

SEE PAGE TWO

For release/Pour publication

IMMEDIATE

Subject/Sujet

TORONTO-AREA FIRMS AWARDED DIPP CONTRIBUTIONS

ITC 15/83

TORONTO, September 20, 1983 -- The Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, today announced that the Defence Industry Productivity Program (DIPP) of his department has approved contributions totalling \$2,331,538 to three Toronto-area firms.

De Havilland Aircraft of Canada Ltd. of Downsview, Ontario, has been offered a contribution of \$900,000 for research and development on the Advanced STOL Transport (AST) project, formerly called the Augmentor Wing Jet Utility Transport project. The preliminary design phase will involve modifications to a de Havilland Buffalo aircraft which is being used to test the Augmentor Wing concept. The funds will also be used to purchase additional flight demonstration time for Canadian, U.K. and U.S. pilots and for a market feasibility study. The company expects the project to maintain 22 jobs.

Exco Engineering, a division of Extrusion Machine Co. Ltd. of Markham, Ontario will use a contribution of \$883,099 towards the cost of purchasing advanced technology production equipment for its tool and dye set and machine parts manufacturing operations. The equipment includes machine tools, a tooling press, a numerical control (NC) profiler, a computer numerical control (CNC) lathe and a coordinate measuring machine. Exco has contracts to supply gear boxes for military vehicles and pneumatic landing gear systems for military aircraft. Over five years, the project is expected to create 12 jobs and generate \$9,000,000 in aggregate sales.

Scintrex Ltd. of Concord, Ontario will use a \$548,439 contribution towards the cost of becoming a qualified supplier of ferrous ordinance locators for defence purposes. The locators are used to search for unexploded shells on bombing and artillery ranges and to detect underwater mines. The company expects the project to create 44 jobs over five years.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

FOR FURTHER INFORMATION, RE:

De Havilland Aircraft
Exco Engineering
Scintrex Ltd.

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Contact/Liaison

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For release/Pour publication

IMMEDIATE

Subject/Sujet

\$5 MILLION CONTRIBUTION TO HERITAGE CANADA BY THE GOVERNMENT

TORONTO, September 23, 1983 -- The Government of Canada will provide \$5 million of financial assistance to the Heritage Canada Foundation for its Main Street Program. The funds will enable the Foundation to continue and expand its efforts to preserve our heritage by the promotion and revitalization of the commercial development in the downtown cores of small Canadian communities, particularly in rural Canada. Almost 200 communities from across the country have shown an interest in the program to date.

While making the announcement at Heritage Canada's 10th Annual Convention in Toronto, the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion said that the Main Street Program held particular appeal for him because it encouraged individual initiative and entrepreneurship in the communities themselves and served as a catalyst to bring together the elements that sustain community pride and progress.

"The Government is interested in the Main Street Program as a regional development instrument," Mr. Lumley said. "The Program combines preservation techniques with economic revitalization of a community's commercial centre to both preserve our heritage and ensure the community's continuing and vigorous life".

As an example of the Program's success, the Perth, Ontario test program was cited. In a small community of 5,700 people, 15 new businesses and 77 new jobs were created over two years. Statistics indicate that for every dollar invested by the Foundation, the private sector invested \$14. Present indications are that similar successes will occur in Bridgetown (Nova Scotia) and Nelson (British Columbia) as well.



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News Release

Communiqué

Contact/Liaison

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For release/Pour publication

IMMÉDIATE

Subject/Sujet

**UNE CONTRIBUTION GOUVERNEMENTALE DE 5 MILLIONS DE DOLLARS
A HÉRITAGE CANADA**

TORONTO, le 23 septembre 1983 -- Le gouvernement canadien accordera une aide financière de 5 millions de dollars au programme de mise en valeur des rues principales de la Fondation Héritage Canada. Les fonds permettront à la Fondation de poursuivre ses activités et de déployer de nouveaux efforts en vue de préserver notre patrimoine en favorisant l'expansion et la revitalisation commerciales du centre ville des petites localités canadiennes, particulièrement dans les régions rurales du pays. Jusqu'à maintenant, près de 200 agglomérations dans tout le Canada ont manifesté de l'intérêt pour le programme.

En faisant cette annonce lors du 10^e congrès annuel d'Héritage Canada à Toronto, M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, a déclaré que le programme de mise en valeur des rues principales lui apparaissait particulièrement intéressant du fait qu'il favorisait l'esprit d'initiative et d'entreprise qui existe au sein des collectivités et qu'il faisait office de catalyseur des éléments nécessaires à l'éveil des sentiments de fierté collective et au progrès de la communauté.

" Le gouvernement considère le programme de mise en valeur des rues principales comme un instrument de développement régional, a ajouté M. Lumley. En alliant des techniques de conservation à la revitalisation économique du centre commercial d'une collectivité, le programme permet non seulement de conserver notre patrimoine, mais aussi d'assurer la prospérité continue de la collectivité. "

Le projet pilote mené à Perth (Ontario) constitue un exemple du succès du programme. Cette petite collectivité de 5 700 habitants a vu 15 nouvelles entreprises s'implanter et 77 emplois se créer au cours d'une période de deux ans. Les données statistiques indiquent que pour chaque dollar versé par la Fondation, le secteur privé en a investi quatorze. Tous les indices portent à croire que les expériences de Bridgetown (Nouvelle-Écosse) et de Nelson (Colombie-Britannique) seront également couronnées de succès.

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POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A :

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NEWS RELEASE

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For release

DOUG FYFE

(613) 995-8900

2:00 p.m.

Subject

ESTABLISHMENT OF A HELICOPTER INDUSTRY IN CANADA
BELL HELICOPTER ESTABLISHES IN QUEBEC

OTTAWA, October 7, 1983 -- The Governments of Canada and Quebec announced today that Bell Helicopter Textron Incorporated will establish at Mirabel, close to Montreal, a light twin helicopter manufacturing facility.

This important project, with total investments of \$514.1 million, will result in the creation of 2,775 highly-paid jobs (annual average level) in the high technology sector.

The two governments' participation in this project will total \$275.4 million, of which \$165.2 million is to be contributed by the Government of Canada and \$110.2 million by the Government of Quebec in a 60:40 ratio.

The establishment of Bell Helicopter in Quebec constitutes an important step in the creation of an advanced technology helicopter manufacturing industry in Canada.

In addition, Pratt and Whitney Canada Inc. will invest \$252.0 million to develop a new helicopter engine family. The federal government will invest \$100 million in this project. The engines will be installed in the helicopters made in Canada by Bell.

The Bell project and the Pratt and Whitney involvement would mean the creation of a total of 3,775 jobs (annual average level) in this high technology sector and will generate sales valued at \$9.9 billion over the next 20 years. According to projections, more than 85 per cent of these sales will be exports.

Bell Helicopter Textron will create a new Canadian company to establish and operate at the Mirabel industrial park a 300,000 sq. ft. facility to design, develop, produce, market and service the family of light twin helicopters.

This series of helicopters will consist of the Model 400 now being developed in the United States, plus two later models to be developed at the Mirabel factory including the 400A, the 440 and any derivatives of those three. Employee recruiting and subsequent training will begin early in 1984. Manufacturing will begin in 1985.

The Pratt & Whitney Canada STEP engine will also be used in the 440 model to be developed by Bell Helicopter Canada and launched in 1989. This new model 440 will represent a significant departure from standard models and is expected to place the company in the forefront of advanced helicopter design and manufacture.

The parent company of Bell Helicopter Canada, Bell Helicopter Textron, is one of the largest manufacturers of civil helicopters in the world with annual sales of \$830 million (U.S.) over the last three years.

The company will provide Bell Helicopter Canada with the managerial, production, marketing and service know-how needed to develop, produce, sell and service helicopters competitively over the long term.

The governments' investment in Bell and Pratt & Whitney Canada will be repaid in the form of a royalty on all sales of helicopters, STEP engines, spares and accessories made by the Canadian companies during the life of the projects. (Note that all amounts are in 1983 dollars.)



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A CANADIAN HELICOPTER INDUSTRY IS ESTABLISHED

STATEMENT BY THE HONOURABLE EDWARD C. LUMLEY, MINISTER OF INDUSTRY, TRADE AND COMMERCE AND REGIONAL ECONOMIC EXPANSION

Today marks the culmination of efforts begun about three years ago when our department identified the helicopter manufacturing industry as an industrial sector with considerable potential for development.

Last December we advanced to a final phase when we invited leading helicopter manufacturers around the world to submit proposals for establishing a facility in Canada. The proposals have been evaluated. The principal negotiations have ended. The investment is ready to be undertaken and the jobs are about to be created.

My colleagues and I are here today to announce that we have decided in favour of the proposal submitted by Bell Helicopter Textron Incorporated of Texas. The Bell Project will enable a new helicopter engine to be developed by Pratt & Whitney Canada.

The Government decision adds a new dimension to Canada's aerospace sector that will take it into the twenty-first century. Over \$750 million is being invested in these projects which together will create an annual average of approximately 4,000 high technology jobs over the next 20 years and lead to thousands more jobs with Canadian suppliers all across the country. The projects will generate sales valued at almost \$10.0 billion, nearly 85 percent of which will be exports.

The \$514.1 million Bell Helicopter manufacturing facility will provide about 3000 jobs. It will be established at Mirabel, Quebec and will be financially assisted by both the Government of Canada and the Government of Quebec. The new engine will be developed in Pratt & Whitney Canada's Longueuil facility at a cost of \$252 million and will create an additional 1000 jobs. It will be financially assisted by the federal government.

This agreement with Bell promises Canada a world class, fully integrated helicopter design and manufacturing industry with high rates of production in a relatively short time. The new Canadian company will have a world product mandate in what all forecasts indicate is the fastest-growing segment of the world helicopter market — the light twin engine class. And the product mandate will extend to a family of helicopters not just a single model.

Under the agreement with Bell, Canada will provide \$165.2 million and the Government of Quebec \$110.2 million towards the helicopter manufacturing facility. Bell is committed to purchase, and install in its next generation of helicopter models, a new family of engines called STEP to be developed by Pratt & Whitney Canada. The research and development needed to produce this engine will cost \$252 million of which the Federal Government's share will be \$100 million.

I want to emphasize that these are essentially private sector initiatives the companies have judged to be commercially viable. They will be undertaking a considerable portion of the risk.

To the benefit of the taxpayer, over and above the jobs and payment schedule has been established by which Bell will pay a royalty of 2 percent, and Pratt & Whitney 3 per cent, on their sales of products manufactured in Canada under the programs.

The decision of the Government of Canada does involve a large investment and Canadians will want assurance that their dollars are being prudently invested. I want to make three points about these investments.

First, we believe that we are associating with successful companies with proven world reputations. We are directing our efforts at a segment of the market offering the excellent sales prospects.

Second, we believe that the real importance of these projects lies in the immediate and long term boost they will give to industrial development across the country. The complexity of today's flying machines and the emphasis on advanced technology has made every primary manufacturer in the business dependent upon the specialist suppliers at the leading edge of aerospace technology. It means that smaller companies right across Canada stand an excellent chance at bidding for a portion of this significant contract and I can tell you that Bell has already started meeting with potential suppliers in Canada.

A third point I want to make concerns the benefits in technology that Canada will derive from these projects. Under its agreement with the federal government, Bell will establish an engineering capability to design all future derivatives in the light twin class. This will mean the transfer of the technology and development responsibility required to make a Canadian light twin helicopter competitive over the long haul.

I would like to describe to you the general principles we followed in the evaluation of the proposals from the helicopter manufacturers.

First we considered the risk associated with each proposal. Risk in terms of the management capabilities, financial resources, technological base, and marketing expertise of the companies.

Next we examined the market prospects of the products offered. We assessed each proponent's own forecasts and also contracted for an independent market analysis.

We examined how many jobs each project would create and how soon it would create them.

We evaluated the impact of each project on other industrial developments. Would it launch a new Canadian engine, for example? Would it reduce the risk of its development? The Canadian content and the degree of technology transfer were other important factors.

We examined the costs of each project, including the extent to which federal outlays are recoverable, and assessed whether the overall economic return and industrial benefits were worth the cost.

The Bell proposal was evaluated as being superior in providing net economic benefits for Canada; jobs; value of work in Canada; and royalties. It establishes a Canadian industry in

the fastest growing segment of the helicopter market; it provides a world product mandate in that market...a product mandate that extends to a family of helicopters and not just a single model.

It transfers all the technology and development responsibility required to make this industry competitive over the long haul.

It creates many highly-skilled, high technology jobs. It launches the Pratt & Whitney STEP Twin engine, creating about 1000 additional jobs, and ensures Pratt & Whitney's long-term strength in this market.

The investments announced today are indeed significant. The returns most impressive. It is for this reason I have taken longer than usual to explain the federal government's decisions. I believe we are not only investing in companies; we are investing in an industry. One, I believe, that will bring significant benefits to Canada and to all Canadians.

I want to express our congratulations to Bell Textron and Pratt & Whitney and wish them well in their venture. I especially want to thank most sincerely Mr. Jim Atkins, President of Bell. It has really been a pleasure negotiating this project with such a distinguished gentleman.

And to my provincial counterpart Mr. Rodrigue Biron, I want to say how much we appreciated his and his government's cooperation in our joint effort.

And finally to the always unsung heroes of any involvement with government, my special thanks and congratulations to our officials.

CANADIAN FEDERAL GOVERNMENT
SELECTS BELL TO
ESTABLISH HELICOPTER INDUSTRY

FORT WORTH, Texas -- The Canadian Federal Government announced that Bell Helicopter Textron Inc. of Ft. Worth, Texas has been selected to establish a helicopter industry in Canada.

The Honourable Edward Lumley, Canada's Minister of Industry, Trade and Commerce and Regional Economic Expansion, said the announcement climaxes a lengthy industry-wide search by the Canadian Government for the most desirable partner. Selection of Bell to be the helicopter company for Canada came after a competition among the major helicopter companies of the world. Canada's evaluation took into consideration technology, manufacturing, marketing, customer support, and management capabilities.

Minister Lumley stated that Canada ranks as the second largest user of helicopters in the free world and that the establishment of a helicopter industry in Canada by Bell will be of immense economic and technological value to the country.

James F. Atkins, Chairman of Bell Helicopter Textron Inc. and the leader of the team which has been engaged in negotiations with Canadian officials for almost two years, stated: "The Canadian Program is a very important win for Bell -- against tough worldwide helicopter industry competition. It provides for the infusion of research and development funds and facilities procurement by the Canadian Federal Government, the Province of Quebec and Bell that will assure Bell's retention of technical and manufacturing leadership in the light helicopter field."

Atkins said Bell Helicopter Textron Inc. will establish the Bell Helicopter Textron Division of Textron Canada and convey to it a world mandate for the development, production, and sale of a family of new light, twin-engine helicopters. A new advanced turbine engine to be developed and produced by Pratt & Whitney of Canada will be phased into production of these new light twins.

In addition to the economic and technological benefits to Canada, Atkins said there were significant benefits in the program for the Fort Worth Bell facility and its employees. "We see the combined efforts of Bell Helicopter in Fort Worth and Bell Helicopter in Canada as being capable of expanding Bell's worldwide market share. The changing nature of world competition requires strong allies and the Canadian program is a major, progressive step that will enhance Bell's total international market position. Under this program, Bell employees will furnish technical assistance and will participate in production of major dynamic components for this new family of helicopters. The program also provides Bell with an opportunity to compete more fully in protecting and expanding Bell's share of the second largest helicopter market in the free world. Finally, it will enable the development of other major projects at the Fort Worth facility. The Canadian program is clearly of benefit to both Canada and Bell."

The first of the new family of helicopters will be the Model 400 named the TwinRanger, a four-bladed, seven passenger helicopter that is now undergoing development at Bell's Fort Worth facility where a prototype vehicle is presently being flight-tested. Bell will hire a number of Canadian engineers who will participate in this development program in Fort Worth and gain the necessary experience to permit them to serve as a cadre of an engineering department for the new Canadian facility.

The new Canadian facility will be constructed at Mirabel, Quebec, about twenty miles from downtown Montreal. It will consist of a 300,000 sq. ft. administrative, engineering, and manufacturing facility with advanced equipment, tooling, and production techniques.

The program as agreed to provides for the construction and equipping of the new facility and the funding of the research and development work in connection with the new family of helicopters at a total program cost of approximately \$400 Million (U.S. 1982 dollars), with appropriate cost sharing among the parties. Negotiations will begin immediately on a definite contract.

Bell Helicopter has had a long term and mutually beneficial relationship with the Canadian Government, the Canadian Defense Forces, civil government agencies, and commercial helicopter operators dating back more than thirty-five years. Bell delivered one of its first production Model 47 helicopters to a Canadian operator in early 1947 and more Bell helicopters are presently flown in Canada than the total of those of all other manufacturers.

In 1968, the Canadian Government, Pratt & Whitney of Canada, and Bell entered into a cooperative effort to develop the Model 212 transport helicopter powered by the PT-6 Twin Pac engine. Bell has delivered more than 1,300 Model 212s or versions thereof over the past fifteen years.

Bell Helicopter Textron Inc. of Fort Worth, a wholly-owned subsidiary of Textron Inc. of Providence, Rhode Island, has manufactured and delivered more than 26,000 commercial and military helicopters which exceeds the total of helicopters delivered by all other free world manufacturers.

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For Immediate Release

LONGUEUIL, 7 October 1983 - Pratt & Whitney Canada Executive Vice President David Caplan expressed his satisfaction with the Government's decision to establish a Canadian helicopter manufacturing industry involving Bell Helicopter and Pratt & Whitney.

"This is the beginning of a new era for Canadian aerospace and Pratt & Whitney is proud to be closely associated with this program" said Mr. Caplan. "The new Bell helicopter program will provide us with all necessary ingredients to launch a new family of high-technology gas turbine engines for light helicopters and small aircraft."

Engine production will take place at the company's manufacturing facility in Longueuil, Québec. The development of this new family of engines will create some 1,000 jobs over the next 20 years, and is expected to generate \$2.7 billion in sales.

The new engine family designated STEP (Small Turbine Engine Program), will be in the 500 Shaft Horsepower (SHP) class. Development will begin immediately and will require 4 1/2 years to complete. The engine's certification is scheduled for March 1988.

Pratt & Whitney Canada is already the world's leading manufacturer of turboprop engines for general aviation. The development of the new STEP engine family will widen the company's product line.

Pratt & Whitney Canada, a member of Pratt & Whitney Group, is a subsidiary of United Technologies Corporation, of Hartford, Connecticut.

CANADIAN AEROSPACE PERSPECTIVES

Personnel and Regional Distribution of Work - The industry payroll has fallen to 36,320 in 1982 from the high of 43,000 but projections to 1987 put the employment level at 49,000.

The gradual general improvement in employment opportunities is reflected in the figures over the seven year period 1975-81. - 26,898 (1975), 34,000 (1978), 43,000 (1981).

The increase was 25 per cent between December 1977 (28,900) and June 1979 (36,200). Employment is distributed as: Quebec - 46 per cent; Ontario - 46 per cent; Western Canada - 6 per cent; the Maritimes - 2 per cent.

In terms of companies engaged in the manufacture of aircraft and components, the breakdown by region indicates that 35 per cent of the establishments are in Ontario, 30 per cent in Quebec, 16 per cent in British Columbia, 5 per cent in Manitoba, 3 per cent in Nova Scotia, and the remainder located in Alberta and New Brunswick.

Nearly 48.5 per cent of total aerospace output originates in Quebec and 40 per cent in Ontario.

Sales and Exports - The Canadian aerospace industry had record sales of \$2.8 billion in 1982. Fully 77 per cent (\$2.15 billion) was exported, with the United States by far the largest customer.

During the period 1971-81, the U.S. accounted for over two thirds of Canadian aerospace exports (and for an even higher percentage - 80 plus - of aerospace imports).

Aerospace sales in 1967 totalled \$630 million, of which \$402 million (60 per cent) represented exports. In 1968, exports topped \$559 million, this figure 150 per cent higher than the 1962 equivalent. Sales passed the \$1 billion mark in 1978, and during the following year climbed by another 50 per cent, with exports accounting for \$1.33 billion. In six years - 1977-83 - sales increased by almost 300 per cent.

Industry Structure and Ownership - The aerospace manufacturing industry is three-tiered.

Two of the three largest manufacturers, Canadair, Montreal, and de Havilland, Toronto, design and manufacture complete aircraft. Pratt and Whitney Canada, Montreal, designs and manufactures aero engines.

The aircraft manufacturers are owned by the federal government. Pratt and Whitney is a subsidiary of American-owned United Technologies Corporation.

Second-tier companies number 31 and are located in Ontario (14), Quebec (10), the Maritimes (2), Manitoba (3), and the remainder of the West (2). They are mainly manufacturers of aircraft components, systems, sub-assemblies, and accessories.

There are approximately 100 third-tier companies, few with sales in excess of \$1 million per annum. Their main business is sub-contract machining and processing work, and repair, overhaul and servicing product lines of other companies. Most third-tier companies are wholly Canadian owned.

Of the total aerospace industry, 90 per cent of 1982 earnings were achieved by 55 companies. Analysis of the \$2.8 billion sales total reveals that approximately 40 per cent represents the joint sales of de Havilland and Canadair. A third large slice of business can be credited to Pratt and Whitney Canada, whose engines, designed and manufactured in Canada, satisfy almost 60 per cent of the world market for turboprop aircraft.

The fact of three companies accounting for more than half the gross sales receipts cloaks a vital element of Canadian aerospace: sub-contract work. For example, the 36-passenger de Havilland Dash-8 involves over 100 suppliers of equipment and components.

Total 1982 sales were spread over airframes (42 per cent) engines (28 per cent) and the remaining 30 per cent shared between avionics/electronics, space and miscellaneous categories.

Employee Picture - Scientific and engineering technologists make up 12 per cent of the primary and secondary levels of the aerospace work force, making it a high technology industry (accepted identifying standard is 3 - 4 per cent engineers/scientists). Airframes claim 47.3 per cent, engines 32.7 per cent and avionics 20 per cent of the remainder.

The production floor is the biggest employer of labour, claiming 55.3 per cent of the industry's total. Production personnel are divided among airframes (50.3 per cent) engines (30 per cent) and avionics (19.7 per cent).

In 1982, the industry spent \$14.4 million on job-related training, or approximately \$400 per employee.

World Rankings in aerospace - Canadian aerospace ranks fifth in the world behind the United States, France, Britain and West Germany.

Canadian Government Support - Through the Defence Industry Productivity Program, the federal government has invested \$690 million in Canadian industry since March, 1971. A very high proportion of this has been for research and development in the aerospace sector.

Research and Development - The industry invests approximately 10 per cent of sales in R&D, or some 20 per cent of ALL R&D in Canadian manufacturing.

Canadian Aerospace Evolution - During World War II, Canadian factories produced close to 17,000 aircraft, from elementary trainers to the most versatile fighter-bomber and heaviest-load bomber of the war. In addition to complete aircraft, Canadian companies manufactured plane components, instruments, propellers, electrical and hydraulic equipment - the vast majority of which had been sourced outside of Canada prior to 1939.

Since 1947, approximately 4,000 Canadian STOL transport aircraft, utility amphibians and business jets have been sold to more than 100 countries. In the same period, some 3,700 military aircraft have been produced under licence in Canada.

Canadian aerospace products include small gas turbine engines, the family of Anik satellites and the Canadarm remote manipulator system. Other aerospace products which perform well in export markets include unmanned airborne surveillance systems, flight simulators and sophisticated airborne navigation systems.

NEWS RELEASE

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Contact

For release

SAM KAYES

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IMMEDIATE

Subject

HALIFAX FIRM WINS FRIGATE SUBCONTRACT

OTTAWA, October 17, 1983 -- Dumaresq & Byrne Ltd. of Halifax, Nova Scotia, has been awarded a \$450,000 contract for the design of a personnel training centre building by Saint John Shipbuilding & Dry Dock Co., Ltd., prime contractor for the Canadian Patrol Frigate (CPF) project.

In making the announcement today on behalf of ITC/DREE Minister Ed Lumley, International Trade Minister Gerald Regan said that Dumaresq & Byrne will undertake both the conceptual design and the final architectural design of the facility.

"The centre will use the most modern equipment available to train Canadian naval personnel in sophisticated combat techniques, thus improving the capability of Canada's naval forces," he said.

Mr. Regan said construction would probably start in 1985 and be completed in 1987, in time for training of the first patrol frigate's crew. The first frigate is scheduled for completion in 1988.

This is the first sub-contract for the CPF project to be placed in Nova Scotia by Saint John Shipbuilding, which has the contract with the federal government to build six ultra modern, highly efficient patrol frigates for a target price of \$2,584 million (fiscal year 1983/84 dollars).

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FOR FURTHER INFORMATION, CONTACT: Sam Kayes, (613) 993-4497





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IMMÉDIATE

Objet

FRÉGATE : CONTRAT DE SOUS-TRAITANCE A UNE FIRME D'HALIFAX

OTTAWA, le 17 octobre 1983 -- La Saint John Shipbuilding & Dry Dock Co. Ltd., principal entrepreneur du projet de la frégate canadienne de patrouille, a octroyé à Dumaresq & Byrne Ltd. d'Halifax (Nouvelle-Écosse) un contrat de 450 000 \$ pour la conception d'un centre de formation du personnel.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Gerald Regan, ministre d'État au Commerce international, a déclaré que la Dumaresq & Byrne se chargera de la création et du design architectural des installations.

"Ce centre, a-t-il souligné, utilisera l'équipement le plus moderne qui soit, en vue d'enseigner au personnel canadien des techniques de combat complexes et d'améliorer ainsi les compétences de la marine canadienne."

Selon M. Regan, la construction devrait commencer en 1985 et se terminer en 1987, soit à temps pour assurer la formation du premier équipage de la frégate. On prévoit que la première frégate sera prête en 1988.

Dans le cadre du projet de la FCP, c'est le premier contrat de sous-traitance attribué à une firme de Nouvelle-Écosse par la Saint John Shipbuilding; cette dernière a reçu du gouvernement fédéral le contrat de construction de six frégates de patrouille ultra-modernes à haute efficacité, dont le prix a été fixé à 2 584 millions de dollars (dollars de l'année financière 1983-1984).

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POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A :

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R. ST-AMOUR (613) 992-1751

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07-8103

IMMEDIATE

Subject

THREE SHIPYARDS SHARE \$4 MILLION IN FEDERAL AID

OTTAWA, October 26, 1983 -- Three Canadian shipyards have accepted federal offers totalling \$4,185,589 for current work projects. One yard, Marine Industries Ltd. of Sorel, Quebec, was able to sustain employment for an average of approximately 360 people in the yard during the nine-month construction period of a data processing vessel.

In announcing this today, Industry, Trade and Commerce/Regional Economic Expansion Minister Ed Lumley said the offers were made under the Shipbuilding Industry Assistance Program and the Special Recovery Investment Fund, which was introduced in the April 1983 Budget to strengthen private investment in the early stages of Canada's economic recovery.

The shipyards involved and the offers accepted were: Marine Industries Ltd. (\$2,189,833); Davie Shipbuilding Ltd. of Lauzon, Quebec (a total of \$1,214,993 for two projects); and Saint John Shipbuilding and Dry Dock Co. Ltd. of Saint John, New Brunswick (a total of \$780,763 for two projects).

The Shipbuilding Industry Assistance Program is in two parts: a production assistance section that provides assistance to shipbuilders to build or convert ships in Canada, and a performance improvement section. The concept of performance improvement includes: (a) the acquisition of equipment or facilities with the necessary support services; (b) development and implementation of management and production control systems; (c) attention to worker safety; (d) attention to worker facilities and services to improve working conditions; (e) activity concerned with labour-management relationships and personnel motivation; and (f) activity concerned with shipbuilding technology.

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For further information, contact: R. St-Amour, (613) 992-1751

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IMMÉDIATEMENT

Objet

SUBVENTION FÉDÉRALE DE QUATRE MILLIONS DE DOLLARS
A TROIS CHANTIER NAVALS

OTTAWA, le 26 octobre 1983 -- Trois chantiers navals canadiens ont accepté 4 185 589 \$, offerts par le gouvernement fédéral pour effectuer des travaux courants. Un des chantiers, la société Marine Industrie Ltée de Sorel au Québec a ainsi pu maintenir des emplois pour environ 360 personnes, durant les neuf mois que durera la construction d'un vaisseau destiné au traitement des données.

En faisant cette annonce aujourd'hui, M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale a ajouté que ces offres ont été faites aux termes du programme d'aide aux constructeurs de navires et du Fonds spécial de relance des investissements, introduit dans le budget d'avril 1983 pour renforcer les investissements dans le secteur privé, durant les débuts de la reprise économique au Canada.

La Marine Industrie Ltée, a reçu 2 189 833 \$; les chantiers Davie Ltée, de Lauzon au Québec, 1 214 993 \$ pour deux projets; et la Saint John Shipbuilding and Dry Dock Co. Ltd., de Saint-Jean au Nouveau-Brunswick, 780 763 \$ pour deux projets.

Le programme d'aide aux constructeurs de navires comporte deux volets : le volet " Aide à la production " qui permet d'offrir de l'aide aux chantiers navals pour construire ou convertir des navires au Canada, et le volet " Amélioration du rendement " qui englobe :

a) l'acquisition de matériel ou d'installations comprenant les services de soutien nécessaires; b) l'élaboration et la mise en oeuvre de systèmes de contrôle de la gestion et de la production; c) l'application de mesures de sécurité au travail; d) l'application de mesures touchant les installations et les services en vue d'améliorer les conditions de travail; e) toute activité concernant les relations entre la direction et les employés et la motivation du personnel; et f) toute activité ayant trait aux techniques de construction des navires.

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POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A

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R. WILLIAMSON

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IMMEDIATE

Subject

\$154,580 IN DESIGN CANADA SCHOLARSHIPS AWARDED FOR 1983/84

OTTAWA, October 27, 1983 -- Scholarships totalling \$154,580 have been awarded to 13 Canadian students of design under the Design Canada scholarship program for 1983/84. The students will each receive up to \$13,000 to further their studies next year at schools of design in Canada, the U.S.A., England and Switzerland.

In making the announcement today, Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, said, "The scholarship program provides promising Canadian designers with the opportunity to upgrade their skills at internationally-known schools, ensuring that the Canadian goods they design will meet the increasingly high standards demanded by consumers and users in Canada and abroad."

The Design Canada scholarship program, funded by ITC/DREE, is sponsored by the National Design Council. It was created in 1962 to encourage the advanced study of design as a means to improve the competitiveness of Canadian products in world markets. Since its introduction, 344 scholarships totalling more than \$1.7 million have been awarded under the program.

Scholarship recipients represent a variety of design fields. Five of this year's winners are in graphic design, five in industrial design, two in textile design and one in furniture design. They were selected by a five-member jury consisting of representatives from the design professions.

Applicants for the scholarships must be Canadian citizens and must intend to continue working in Canada upon completion of their studies. Scholarships are awarded for one academic year and are renewable for two additional years. Winners may study in any recognized acceptable institution offering an eligible discipline.

A list of the winners for 1983/84 is attached.

DESIGN CANADA SCHOLARSHIP AWARD WINNERS FOR 1983/84

Applicant	City	Field of Study	School of Choice
Asselin, François	Val Cartier Québec	Graphic Design	Rhode Island School of Design (U.S.A.)
Bergeron, Luc*	Montréal Québec	Industrial Design	École cantonale des beaux-arts et d'art appliqué (Switzerland)
Chambers, Karen E.*	London Ontario	Textile Design	Royal College of Art (England)
Gadbois, Denis	Montréal Québec	Industrial Design	Cranbrook Academy of Ar (U.S.A.)
Garvey, Thomas W.*	Ottawa Ontario	Graphic Design	Pratt Institute (U.S.A.)
Giard, Jacques René	Ottawa Ontario	Industrial Design	Concordia University (Canada)
Ichino, Donald	Calgary Alberta	Furniture Design	Royal College of Art (England)
Labbé, Jean	Altadena California	Industrial Design	Art Center College of Design (U.S.A.)
Le Sauteur, Martin	Boucherville Québec	Graphic Design	Portfolio Center (U.S.A.)
Mathieu, Lorraine*	Montréal Québec	Textile Design	Fashion Institute of Technology (U.S.A.)
Nakashima, Roy N.	West Hill Ontario	Industrial Design	Syracuse University (U.S.A.)
Vaitkunas, George*	St. Paul Alberta	Graphic Design	Yale University (U.S.A.)
Walker, Graham S.	Vancouver B.C.	Graphic Design	California Insitute of the Arts (U.S.A.)

* Renewals

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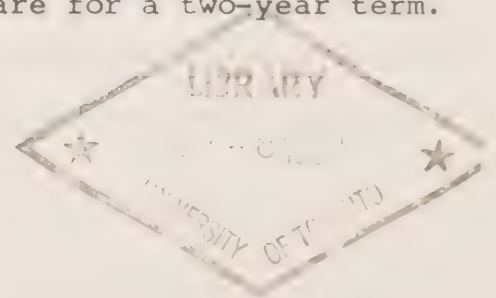
Contact	For release
Subject	

BOB WARD (613) 995-2494 12:30 p.m.

NATIVE ECONOMIC DEVELOPMENT ADVISORY BOARD APPOINTED

OTTAWA, October 31, 1983 -- The appointment of a 20-member Advisory Board for the Native Economic Development Program was announced today by the Honourable David Smith, Minister of State for Small Business and Tourism.

Appointed as Chairperson of the Advisory Board is Donald C. Moses of Lower Nicola, British Columbia. Appointed as Vice-Chairperson is Mary Simon of Fort Chimo, Québec. Other members are: Jack I. Anawak (Rankin Inlet, Northwest Territories), Paul Birckel (Whitehorse, Yukon), Daniel J. Brant (Deseronto, Ontario), Roderick M. Bryden (Ottawa, Ontario), Harry Deneron (Fort Laird, Northwest Territories), Jean-Guy Fredette (Montréal, Québec), Stanley A. Fulham (Winnipeg, Manitoba), Joseph Magella "Max" Gros-Louis (Huron Reserve, Québec), Murray B. Koffler (Willowdale, Ontario), Bill Lee (Ottawa, Ontario), Neil Lucas (Port au Port East, Newfoundland), William Lyall (Cambridge Bay, Northwest Territories), Wayne Mackenzie (Regina, Saskatchewan), Mary M. Richard (Winnipeg, Manitoba), Maurice F. Strong (Vancouver, British Columbia), Susan Tatoosh (Kamloops, British Columbia), Walter P. Twinn (Slave Lake, Alberta), William C. Wilson (Fort Francis, Ontario). The appointments, made by the Governor-in-Council, are for a two-year term.



"The membership of the Advisory Board was selected following an extensive consultation process with the leaders of Native organizations", Mr. Smith said. "I am pleased that the Advisory Board will have such a wealth of practical business experience", he added.

The purpose of the Native Economic Development Program is to assist Native people in the development of economic self-reliance through the use of a \$345 million, four-year capital fund and by maximizing the impact of programs in other federal departments in support of Native economic development opportunities.

The Program is open to all Inuit, Métis, Status and Non-Status Indians in Canada.

The Advisory Board will oversee the operations of the Program and make recommendations to the Minister in these areas:

- the criteria under which the capital fund will be accessed by Native people; and
- specific investments to be made by the Program.

In addition, the Board will advise Mr. Smith, the Minister responsible for the Program, the Minister of Indian Affairs and Northern Development, the Minister of Employment and Immigration, the Minister of National Health and Welfare and other Ministers on the effective use of their programs in support of Native enterprises.

Mr. Smith said that the four-year Program is innovative in nature and will design its investment strategy to suit the unique economic circumstances of Native people in Canada. During the initial two-year phase, the Advisory Board will be asked to consider whether the Program should evolve into a Native owned and operated financial or quasi-financial institution. Organizations such as the Peace Hills Trust, the American Indian Bank and Sinco Corporation would be examined.

"The funding available in the Program is significant but on its own is only a single step toward tackling the economic development challenges facing Native people in Canada", Mr. Smith said.

"The Advisory Board will have to make tough choices to ensure that the funds are used to maximum effect", the Minister added.

Following the development of the criteria for program assistance, it is expected the Advisory Board will begin to recommend the funding by January, 1984.

Biographical summaries of the Advisory Board members are attached.

FOR FURTHER INFORMATION, CONTACT:

Bob Ward (613) 995-2494



BIOGRAPHICAL SUMMARIES OF ADVISORY BOARD MEMBERS

Don C. Moses (Chairperson)

Mr. Moses has had extensive experience in Native organizations and businesses. Currently a cattle rancher and the owner of Moses Management Systems, a consulting firm, he is a member of the Lower Nicola Band in British Columbia. He graduated from Simon Fraser University in 1973 with a B.A. in Economics and Political Science. He is a member of the Board of Directors of several Lower Nicola Indian Band companies, and has served as the President of the North American Indian Brotherhood and in senior capacities with the Union of B.C. Indian Chiefs. Mr. Moses is the Chairperson of the Central Interior Tribal Council, a federation of five Tribal Councils representing 48 Bands and 12,000 Band members.

Mary May Simon (Vice-Chairperson)

Born in Fort Chimo, Québec, Ms. Simon began her career as an announcer and producer with the C.B.C. Northern Service. She served for three years as an information officer with the Inuit Tapirisat of Canada in Ottawa before returning to Québec in 1976 as the Director of Information for the Northern Québec Inuit Association and was subsequently named to its Board of Directors. In 1979, Ms. Simon was elected Vice-President of the Makavik Corporation and in 1982 was elected President. The Makavik Corporation is involved in a number of Native-owned enterprises ranging from construction companies to an airline.

Jack Anawak

Born in Chesterfield Inlet, Northwest Territories, Mr. Anawak has served as President of the Inuit Cultural Institute, as a Board member of the Inuit Tapirisat of Canada and as Vice-President of the Keewatin Inuit Association. He was named Speaker of the Keewatin Regional Council in 1982. Mr. Anawak has held a number of positions in the private sector and is currently the Marketing Manager of Northern Purchasing and Expediting Ltd.

Paul Birckel

Born in Burwash Landing, Yukon, Mr. Birckel has served as the Executive Director of the Council of Yukon Indians and is currently Chief of the Champagne-Aishihik Band. He is President of Aishihik Enterprises Ltd., a band-owned company involved in trucking, construction and tourism development and is the owner-manager of Rainbow Business Services Ltd. which specializes in providing word processing and other office services.

Daniel J. Brant

Born in Deseronto, Ontario, Mr. Brant is a member of the Tyendinaga Indian Reserve. He graduated from Ryerson Polytechnical Institute in Architecture in 1974 and received a Masters of Science degree from the University of Waterloo in 1975. Mr. Brant is the President and General Manager of First Nations Consultants Inc. of Ottawa and Vice-President of 4-B Manufacturing Ltd. of Deseronto. Mr. Brant has served as Executive Director of the National Indian Brotherhood.

Roderick M. Bryden

Mr. Bryden has served in a number of senior government and private sector capacities. He is President of Systemhouse Ltd., Kinburn Capital Corporation and Miller Brothers (1962) Ltd. He was Co-ordinator of the Grains Group in the Department of Industry, Trade and Commerce and Assistant Deputy Minister in the Department of Regional Economic Expansion. He received his education at Mount Allison University, New Brunswick and graduated in law at the University of New Brunswick. After post-graduate studies at Michigan University he was appointed Professor of Law at the University of Saskatchewan where he taught until 1969.

Harry Deneron

Born in Fort Liard, Northwest Territories, Mr. Deneron is currently President of HRY Enterprises and Liard Valley Development Ltd. He has been a member of the Board of Directors of Cadillac Mines and presently is a member of the Western Regional Board of the Federal Business Development Bank.

Jean-Guy Fredette

Mr. Fredette is currently Vice-President of Montreal Engineering Company Limited (MONENCO) and Chairman of the Management Committee of Consortium Canest, a joint venture responsible for the engineering and construction management of the Montreal to Quebec City natural gas pipeline extension. He graduated in Law from the Université de Montréal in 1959 and was admitted to the Quebec Bar in 1959. Mr. Fredette previously served as Deputy Minister, Department of Natural Resources, Province of Québec and as an advisor to the Secretary of State for External Affairs in Ottawa.

Stan Fulham

Mr. Fulham received his education in Arts at the University of Manitoba and holds a Teacher's Certificate from the Manitoba Teachers College. He has been the Executive Director of the Manitoba Métis Federation and is currently the Manager of Kinew Housing Inc. of Winnipeg. In 1961 he graduated from the Officers Technical Services School. Mr. Fulham served in the Royal Canadian Air Force during the Second World War in Bomber Command, and was a Prisoner of War for two years. He again served in the R.C.A.F. from 1955 to 1970 where he was the Commanding Officer of Transportation Units in both Winnipeg and Montreal.

Joseph Magella "Max" Gros-Louis

Mr. Gros-Louis is the President of Artisanat Gros-Louis which was established in 1963 to sell Native Arts and Crafts. In 1980, he established Huronmoc, a company which manufactures mocassins and snowshoes. Mr. Gros-Louis has been the Chief of the Village Huron Reserve since 1959 and is the Chairman of the Economic Development Committee of the Assembly of First Nations.

Murray B. Koffler

Mr. Koffler is the Chairman of Koffler Stores Ltd. which operates the Shoppers Drug Mart and Embassy Cleaner chains. He is currently on the Board of Directors of a number of large Canadian companies and has served as a Director of many social service organizations including the Canadian Council of Christians and Jews, Canadian Jewish News, Canadian Foundation for Refugees, the Council for Drug Abuse, the Weizmann Institute of Science and the United Jewish Welfare Fund. Mr. Koffler has received numerous awards for his humanitarian work, among them the Ontario Society for Crippled Children District Service Citation, 1972, the Canadian Council of Christians and Jews Humanitarian Award, 1974, and the Order of Canada, 1977.

Bill Lee

Mr. Lee is the Executive Director of the Native Council of Canada and is the Chairman of the National Native Cultural Centre. He is also Chairman of the National Native Council on Alcohol and Drug Abuse which reports to the Minister of National Health and Welfare. Educated at the Ryerson Institute of Technology in Business Management, Mr. Lee has served as the Executive Director of the National Association of Friendship Centres, a Research Associate to the Ontario Task Force on Native People in the Urban Setting and as a Native Specialist in the Department of Secretary of State in Regina.

Neil Lucas

Presently a Commissioner of Oaths for the Province of Newfoundland and Labrador, Mr. Lucas was educated at the College of Trade and Technology in St. John's Newfoundland. Mr. Lucas is the Chief of the Bay St. George Regional Band and Vice-President of the Atlantic Regional Arts and Crafts, Newfoundland Division.

William Lyall

Born in Cambridge Bay, Northwest Territories, Mr. Lyall is President of a number of organizations including the Ikaluktutiak co-operative, the Canadian Arctic Co-operatives Federation, and Arctic Coast Tours. He has previously served as a member of the Northwest Territories Legislative Council and as a member of the Eskimo Loan Fund. He is currently a member of the Northwest Territories Water Board.

Wayne McKenzie

Mr. McKenzie has had extensive work experience in the field of Native social and economic development. He is currently Chief Executive Officer of the Association of Métis and Non-Status Indians of Saskatchewan. Previously he has been employed with the Department of Social Services in Saskatchewan and the Departments of Social Affairs and Northern Development and with the Secretary of State.

Mary Margaret Richard

Mrs. Richard is the co-owner of the Tepee Restaurant Lounge in Winnipeg and has been actively involved in the Friendship Centre Movement in Manitoba. From 1973 to 1978, Mrs. Richard served as a women's organizer for the Indian and Métis Friendship Centre. Subsequently she was Provincial Co-ordinator of the Manitoba Association of Friendship Centres and Executive Director of the Indian and Métis Friendship Centre.

Maurice F. Strong

Mr. Strong is an international business and public administrator. He serves as Chairman of the Board of a number of enterprises in Europe and North America. He is a member of the Boards of numerous foundations, institutes and societies involved in environmental protection and international development. He has been president of the Canadian International Development Agency, Chairman of Petro-Canada and Executive Director of the United Nations Environmental Program. He has received many awards and honours including the Order of Canada in 1976.

Susan Tatoosh

Ms. Tatoosh is a member of the Shuswap Nation in British Columbia and has been active in the Native movement since 1972. She is the part owner and operator of the Northern Native Development Corporation and is a Member of the Interior Forest Services Board. Currently, she is Provincial Employment Co-ordinator for the British Columbia Native Women's Association.

Walter Twinn

Mr. Twinn is Chief of the Sawridge Band, Slave Lake, Alberta and is President of the Sawridge Companies. These include Sawridge Holdings Ltd., Sawridge Enterprises Ltd., and the Sawridge Development Company (1977). Mr. Twinn is President of the Lesser Slave Lake Regional Council and served as the first President of the Indian Equity Foundation.

William C. Wilson

Born in Emo, Ontario, Mr. Wilson is Chief of the Rainy River Band, a position he held previously in 1975-1977. He has undertaken extensive consulting work in Northern Ontario on Native economic development projects and served as an economic advisor to the Department of Indian Affairs and Northern Development. He is Chairman of the Ontario Wild Rice Program and Chairman of the Board of Manitou Enterprises.

NATIVE ECONOMIC DEVELOPMENT ADVISORY BOARD

Terms of Reference of the Board

- (a) shall make recommendations to the Minister regarding the establishment of policies, procedures and guidelines necessary for the efficient operation and administration of regulations respecting Native economic development;
- (b) shall oversee the receipt and evaluation of applications for assistance made pursuant to regulations respecting Native economic development;
- (c) may make recommendations to the Minister regarding the approval or rejection of applications for grants, contributions, loans and loan insurance made pursuant to regulations respecting Native economic development;
- (d) shall monitor the implementation of any project in respect of which assistance is granted under regulations respecting Native economic development;
- (e) shall make recommendations to the Minister with respect to any application for assistance under any program administered by the Minister, where the application is made in relation to Native economic development;
- (f) shall advise the Minister on comprehensive Native community economic development proposals;
- (g) shall advise the Minister, the Minister of Indian Affairs and Northern Development, the Minister of Employment and Immigration, the Minister of National Health and Welfare or Ministers of other departments with regard to the requirements of coordinating existing programs of their departments with regulations respecting Native economic development;
- (h) shall advise the Minister and make recommendations to him concerning any other circumstances or matter on which, in the opinion of the Minister, it is appropriate for the Board to advise or recommend with respect to projects assisted under regulations respecting Native economic development;
- (i) may make recommendations to the Minister concerning the regulations respecting Native economic development;
- (j) shall advise the Minister and make recommendations to him concerning any matter referred to it by the Minister;
- (k) shall advise the Minister and make recommendations to him concerning the evaluation process for grants, contributions, loans and loan insurance made pursuant to regulations respecting Native economic development; and
- (l) shall recommend to the Minister the rejection of any application made pursuant to regulations respecting Native economic development that does not, in its opinion, contain sufficient information or documentation.





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NEWS RELEASE

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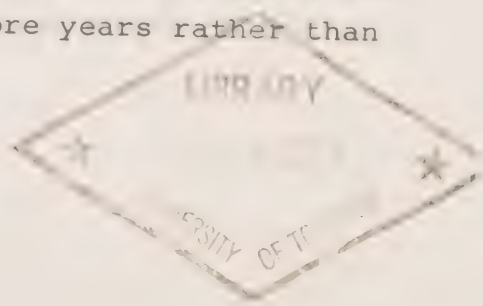
**FEDERAL GOVERNMENT SUPPORTS PRATT & WHITNEY CANADA R&D PROGRAMS
TO CREATE 6,000 NEW JOBS OVER NEXT TEN YEARS**

LONGUEUIL, October 31, 1983 -- The federal government and Pratt & Whitney Canada today signed a long-term, joint agreement to fund 12 new research, development and productivity improvement programs. These programs, and the engine projects that will result from them, will create some 6,000 new high technology jobs, and will generate \$20 billion in incremental sales. One thousand of these new jobs were recently announced in connection with the Bell Helicopter-P&WC STEP engine project.

A total of \$1.7 billion will be invested over the next 10 years. Pratt & Whitney's share will be \$1.2 billion and the Government of Canada will contribute \$468 million. The federal government will advance, on a program by program basis, \$269 million over the first five years of this agreement, and \$199 million over the last five years.

In announcing this Corporate Development Agreement today, Ed Lumley, Minister of Industry, Trade & Commerce and Regional Economic Expansion, said, "This is a new and innovative approach by the federal government and the private sector which establishes a long-term relationship between the federal government and a company. The objective of such agreements is to create an environment of stability, to enable selected companies to plan over the long term with a high degree of confidence."

"This unique approach has been advocated by many in the business community whose future is determined by substantial investments in research and development. For example, the Advisory Committee on Aerospace Development recently recommended that government support for R&D should be based on sector plans of five or more years rather than year-by-year allocations," Mr. Lumley added.



As a result, P&WC will be able to engage in more effective forward planning, a critical requirement in the highly competitive, international aerospace industry. The government will be able to reduce its overall costs and improve its budgetary control.

"It is no accident that P&WC was chosen as the prototype company to launch this new procedure. As well as creating a more stable environment for long-term planning purposes, the federal government is also determined to support activities which enhance growth opportunities in the Canadian aerospace industry. This agreement, together with the Bell Helicopter initiative, reinforces the federal government's commitment to help this industry achieve its goals of viability and world competitiveness," Mr. Lumley said.

Pratt and Whitney is one of the world's leading manufacturers of small turbine engines for aircraft. It is Canada's largest aerospace firm and is already the second highest investor in research and development of all Canadian companies. P&WC is well known for its aggressive and forward-looking planning and has a solid record of success in the international marketplace. The company is considered to be an excellent corporate citizen. P&WC is also a critical high technology employer in Quebec.

Twelve R&D and productivity improvement programs will be undertaken over the next 10 years. Three programs, involving government support of \$164 million, will be contracted immediately. The others, for which an estimated \$304 million in government support has been set aside, are in the planning stage. All financial support for engine development projects will be repayable.

Immediate funding is needed for advanced development of the PW 115/120 family of engines to take advantage of the 30-to-70 seat commuter aircraft market; the development of the new PW 124 engine; and the development of the new small helicopter turboshaft engine (STEP Twin) which will be used in helicopters to be built in Canada by Bell Helicopter. The STEP engine has potential world-wide.

The planned engine development programs include further development of the PW100 engine family; further development of the STEP engine family for use in propeller aircraft; and further development of the PT6 engine family, including the introduction of advanced technology derivatives.

Mr. Lumley said, "The support provided will bring about a doubling of the company's current level of R&D activity. A substantial increase of sales will be generated, with 80 per cent of production to be exported. Further, the R&D programs will enable the company to significantly raise Canadian content through specific plans to increase purchasing from present Canadian sources, to establish new suppliers in Canada, and to further develop small business sources of procurement. Thus, by supporting this industry's base in Quebec, all of the Canadian aerospace industry will benefit."

This approach makes it possible for P&WC and the government to agree on a broad program of corporate performance undertakings in labour training and productivity improvement. "I believe this new approach will become a prototype for other selective long-term arrangements between our department, on behalf of the federal government, and Canadian industry in the future," Mr. Lumley said, "not only because of the stability that they provide, but also because of the successful financial planning implications for both government and the company involved."

FOR FURTHER INFORMATION, CONTACT:

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STATEMENTS AND SPEECHES

CHECK AGAINST DELIVERY

AN ADDRESS BY

DATE

THE HONOURABLE ED LUMLEY

October 31, 1983

CORPORATE DEVELOPMENT AGREEMENT: GOVERNMENT OF CANADA PRATT & WHITNEY CANADA INC.

TWO WEEKS AGO I ANNOUNCED THE DECISION OF THE GOVERNMENT OF CANADA TO SUPPORT A NEW AND EXCITING DEVELOPMENT IN THE CANADIAN AEROSPACE INDUSTRY -- THE BELL HELICOPTER-PRATT AND WHITNEY STEP ENGINE PROJECT.

THAT DECISION WAS AIMED AT LEADING OUR AEROSPACE INDUSTRY INTO THE 21ST CENTURY,

TODAY I AM PLEASED TO ANNOUNCE ANOTHER COOPERATIVE EFFORT OF THE GOVERNMENT OF CANADA AND THE AEROSPACE INDUSTRY -- THE PRATT AND WHITNEY CANADA 10-YEAR CORPORATE DEVELOPMENT AGREEMENT.

OVER THE NEXT DECADE THE FEDERAL GOVERNMENT WILL PROVIDE \$468 MILLION TO COMPLEMENT AN INVESTMENT OF \$1.2 BILLION BY PRATT AND WHITNEY IN 12 NEW RESEARCH, DEVELOPMENT AND PRODUCTIVITY IMPROVEMENT PROGRAMS, AND THE RESULTING ENGINE PROJECTS.

THESE PROJECTS ARE EXPECTED TO CREATE ABOUT 5,000 NEW, HIGH-TECHNOLOGY JOBS; AS WELL AS THE 1,000 JOBS TO BE CREATED BY THE STEP ENGINE PROJECT AS PREVIOUSLY ANNOUNCED.

TWENTY BILLION DOLLARS IN NEW SALES WILL RESULT.

THIS INITIATIVE IS ANOTHER MAJOR STEP TOWARDS STRENGTHENING AND STABILIZING THE AEROSPACE INDUSTRY, WHICH IS CRUCIAL NOT ONLY TO CANADA'S ECONOMIC FUTURE, BUT PARTICULARLY TO THE INDUSTRIAL STRUCTURE OF QUEBEC.

PRATT AND WHITNEY CANADA IS OUR LARGEST AND MOST SUCCESSFUL AEROSPACE MANUFACTURER, AND THE COUNTRY'S SECOND LARGEST INVESTOR IN INDUSTRIAL RESEARCH AND DEVELOPMENT. IT IS ONE OF THE MOST IMPORTANT ADVANCED TECHNOLOGY MANUFACTURERS IN QUEBEC, A SIGNIFICANT GENERATOR OF JOBS IN QUEBEC AND ONTARIO, AND THROUGH ITS EXTENSIVE SUPPLIER NETWORK, ACROSS CANADA.

FOR THESE REASONS, PRATT AND WHITNEY CANADA IS THE IDEAL ORGANIZATION FOR A LONG-TERM GOVERNMENT-INDUSTRY COOPERATIVE ENDEAVOUR IN THE AEROSPACE SECTOR. THIS PROTOTYPE CORPORATE DEVELOPMENT AGREEMENT IS DESIGNED TO CREATE AN ENVIRONMENT OF BUSINESS STABILITY BY PROVIDING THE COMPANY AND ITS SUPPLIERS WITH A REASONABLE ASSURANCE OF FUTURE SUPPORT TO REALIZE MEDIUM AND LONG-TERM GOALS. AND WITH SUPPORT APPORTIONED OVER A 10-YEAR PERIOD, GOVERNMENT FINANCIAL AND BUDGETARY CONTROL IS ENHANCED.

ASIDE FROM THE DIRECT JOBS CREATED BY PRATT AND WHITNEY AND WITH ITS MANY SUPPLIERS ACROSS CANADA, THE AGREEMENT PROVIDES FOR DEVELOPMENT OF NEW SOURCES OF SUPPLY IN CANADA, ENHANCEMENT OF THE CAPABILITIES OF EXISTING SUPPLIERS, DEVELOPMENT OF SMALL BUSINESSES AS SOURCES OF PROCUREMENT AND EMPLOYEE DEVELOPMENT PROGRAMS THAT INVOLVE SOME 185,000 HOURS OF TRAINING A YEAR.

THE GOVERNMENT OF CANADA IS CONFIDENT THAT THIS AGREEMENT WILL DELIVER THE SIGNIFICANT ECONOMIC BENEFITS THAT ARE ENVISAGED. PRATT AND WHITNEY IS A WORLD LEADER IN THE DESIGN AND MANUFACTURE OF ADVANCED TECHNOLOGY SMALL GAS TURBINE ENGINES, AND IS POISED FOR EXPANSION INTO SEVERAL EXCITING NEW MARKET SEGMENTS WITHIN ITS WORLD PRODUCT MANDATE.

THIS CORPORATE DEVELOPMENT AGREEMENT, CALLING FOR \$1.7 BILLION IN INVESTMENT, CREATING 6,000 NEW JOBS, AND RESULTING IN \$20 BILLION IN SALES IS THE PAYBACK FROM THIS EXPANSION.

IT HAS BEEN A PLEASURE TO CONCLUDE AN AGREEMENT WITH SUCH AN OUTSTANDING CORPORATE CITIZEN. I CONGRATULATE PRATT AND WHITNEY CANADA, AND OFFER THE COMPANY MY BEST WISHES, AND THOSE OF THE GOVERNMENT OF CANADA, FOR SUCCESS IN THE FUTURE.

PRATT & WHITNEY CANADA — BACKGROUNDER

Pratt & Whitney Canada (P&WC) located in Longueuil, Quebec and wholly owned by United Technologies Corporation (UTC), is a gas turbine aero-engine manufacturer and Canada's largest and most successful aerospace company. By investing heavily in R&D, it has evolved from small beginnings to become a very significant employment generator in Quebec and, through its extensive supplier network, across Canada. P&WC is now a world class, autonomous, advanced technology small gas turbine engine developer and manufacturer. After Bell Northern Research, it is Canada's second largest performer of industrial R&D.

P&WC is perhaps the most important high technology manufacturer in all of Quebec. Approximately 70% of the relatively stable, high technology jobs that P&WC has created, in-house and among its suppliers, are located in the Quebec region. P&WC exemplifies the characteristics of technology intensive, high wage employment that Quebec development strategies must foster to diversify the province's economy out of declining sectors.

Over the last five years, P&WC has received about \$139 million from the Defence Industry Productivity Program (DIPP) for various programs, continuing a pattern of support that began in 1959. For the support advanced, P&WC is committed to repay about \$100 million by 1988. Over the past 24-year period cumulative sales of \$3.5 billion (80% export) and 113,400 person years of employment have been achieved. The availability of government support has been critical for the company's success commercially and for it to maintain an exclusive world product mandate from its U.S. parent for small gas turbine engines.

P&WC has emerged as a world leader in its field, producing several models of small aero-engines. The PT 6 turbo propeller engine, in production since 1963, is the most widely used engine of its class in the world. It is operated in some 140 countries and used in many renowned corporate and commuter aircraft, such as the de Havilland Twin Otter and Dash 7, Beech King Air, Piper Cheyenne, Embraer Bandeirante and Shorts SD360.

The JT15D turbo fan engine, in production since 1971, is used in the popular business jet aircraft produced by Cessna in the Citation model series, and by Mitsubishi in the Diamond model series.

P&WC is now developing the promising new PW 100 engine family for the 30 to 70 passenger aircraft now under development or being planned.

P&WC is also setting its sights on new market opportunities in the aircraft and helicopter fields. The first of these developments will be a new helicopter STEP engine for the Bell Helicopter 400 A, and 440 models. These helicopters will be produced in Bell's Canadian facilities to be constructed at Mirabel. Other opportunities in the commuter and corporate aircraft market are being explored for the future.

Over the last decade, the total number of Canadian suppliers to P&WC has increased from 1800 to 2900. Their sales to P&WC have increased from \$30 million to \$150 million and these new programs will provide even more opportunities for these suppliers over the next decade.

Contact: Pierre Henry

FOR IMMEDIATE RELEASE

LONGUEUIL, 31 October 1983 - An agreement was announced today between Pratt & Whitney Canada Inc. and the Canadian Government for the shared financing of a number of major development programs over the next ten years.

The plan involves twelve R&D and productivity improvement programs for a total cost of \$1.7 billion over ten years. Company funding will amount to \$1.2 billion while the government will contribute \$468 million over the same period.

"This is a good investment for Canada," said Pratt & Whitney Canada President Elvie L. Smith. "Repayment will be made in the form of royalties calculated on engine sales over the life cycle of the products. These royalty payments will continue beyond the full repayment of financial assistance provided by Ottawa."

In the last five years, Pratt & Whitney Canada has received about \$139 million from the Federal Government to help financing of R&D programs. During the same period, the company invested more than twice that amount, of its own money, to develop new products. In addition to a direct financial return (Pratt & Whitney is already repaying about \$100 million on past support), studies show that Canada has realized \$1.3 billion in net economic returns as a direct result of this financial support.

(more)

"Our commitment to R&D has been unaltered by recent economic downturns which have greatly affected production of business aircraft, worldwide," said Mr. Smith. "We are convinced that continued investment in R&D is the only way to ensure our future growth."

Over their expected economic lives, these new programs will provide about 6,000 jobs at Pratt & Whitney Canada and its direct Canadian suppliers.

Pratt & Whitney Canada is a subsidiary of United Technologies Corporation, of Hartford, Connecticut.

NEWS RELEASE

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L. OTUPIRI

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For release

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Subject

ORENDA DIVISION OF HAWKER SIDDELEY AWARDED FEDERAL CONTRIBUTION

TORONTO, November 10, 1983 -- A \$283,500 contribution to the Orenda Division of Hawker Siddeley of Toronto, Ontario has been approved under the federal Defence Industry Productivity Program (DIPP). The company expects the project to create 10 jobs over 10 years and generate \$4.8 million in sales over five years.

In making the announcement today, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Douglas Fisher, Member of Parliament for Mississauga-North said the Orenda Division will use the contribution towards the cost of becoming a qualified supplier of a combustion line for Pratt and Whitney Aircraft of Canada Ltd.'s JT15-D5 gas turbine engine.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

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FOR FURTHER INFORMATION, CONTACT: L. Otupiri (613) 593-4481



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Objet

LA ORENDA DIVISION DE LA SOCIÉTÉ HAWKER SIDDELEY REÇOIT UNE CONTRIBUTION FÉDÉRALE

TORONTO, le 10 novembre 1983 -- La Orenda Division de la société Hawker Siddeley, de Toronto (Ontario), recevra la somme de 283 500 \$ aux termes du programme de productivité de l'industrie du matériel de défense (PPIMD). La société prévoit que ce projet lui permettra de créer 10 emplois en dix ans et de réaliser un chiffre d'affaires de 4,8 millions de dollars en cinq ans.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Douglas Fisher, député de Mississauga - Nord a déclaré que cette contribution permettra à la Orenda Division de devenir un fournisseur agréé de chambres de combustion intérieures pour les turbines à gaz de l'aéronef JT15-D5 de la société Pratt & Whitney Aircraft of Canada Ltd.

Le principal objectif du programme de productivité de l'industrie du matériel de défense est de stimuler l'expansion industrielle au Canada. Y ont recours des sociétés appartenant à une vaste gamme de secteurs industriels, dont ceux de l'électronique, des transports, de l'avionique, du matériel de navigation, de la technologie spatiale, de la métallurgie et de la fabrication des moteurs. En encourageant la mise au point de technologies de pointe, le PPIMD favorise les exportations rentables de matériel militaire et d'articles servant à la défense.

Dans le cadre du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui ont déjà ou qui manifestent clairement l'intention de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

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POUR OBTENIR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A:
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NEWS RELEASE

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For release

IMMEDIATE

Subject

CANADIAN AIRCRAFT PRODUCTS AWARDED FEDERAL CONTRIBUTION

RICHMOND, November 14, 1983 -- A \$154,192 contribution to Canadian Aircraft Products Ltd. of Richmond, British Columbia has been approved under the federal Defence Industry Productivity Program (DIPP). Over 10 years the company expects the project to create 20 jobs and generate \$10.5 million in sales.

In making the announcement today, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Senator Jack Austin, Minister of State for Social Development, said Canadian Aircraft Products will use the contribution towards the cost of becoming a qualified supplier of fairings for the wing to nacelle area on de Havilland Aircraft of Canada Ltd.'s Dash 8 aircraft.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

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FOR FURTHER INFORMATION, CONTACT: L. Otupiri, (613) 593-4481



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Objet

L. OTUPIRI

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IMMÉDIATE

LA SOCIÉTÉ CANADIAN AIRCRAFT PRODUCTS REÇOIT UNE CONTRIBUTION FÉDÉRALE

RICHMOND, le 14 novembre 1983 -- La société Canadian Aircraft Products Ltd. de Richmond (Colombie-Britannique) recevra la somme de 154 192 \$ aux termes du programme de productivité de l'industrie du matériel de défense (PPIMD). La société prévoit que ce projet lui permettra de créer 20 emplois en dix ans et de réaliser un chiffre d'affaires de 10,5 millions de dollars.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, le sénateur Jack Austin, ministre d'État au Développement social, a déclaré que cette contribution permettra à la Canadian Aircraft Products de devenir un fournisseur agréé de carénages pour l'aile de la nacelle de l'aéronef Dash 8 de la société de Havilland Aircraft of Canada Ltd.

Le principal objectif du programme de productivité de l'industrie du matériel de défense consiste à stimuler la croissance industrielle au Canada. Y ont recours des sociétés appartenant à une vaste gamme de secteurs industriels, dont ceux de l'électronique, des transports, de l'avionique, du matériel de navigation, de la technologie spatiale, de la métallurgie et de la fabrication des moteurs. En appuyant le développement de technologies de pointe, le PPIMD favorise les exportations rentables de matériel militaire et d'articles servant à la défense.

Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement l'intention d'acquérir les compétences ou de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

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POUR PLUS DE RENSEIGNEMENTS, S'ADRESSER A:
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NEWS RELEASE

SPECIAL RECOVERY INVESTMENT FUND

Contact

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For release

IMMEDIATE

Subject

GLOBAL THERMOELECTRIC AWARDED FEDERAL CONTRIBUTION OF \$1 MILLION UNDER SPECIAL RECOVERY INVESTMENT FUND

BASSANO, November 14, 1983 -- Global Thermoelectric of Bassano, Alberta, has been offered a federal contribution of \$1 million under the \$300 million Special Recovery Investment Fund announced in the April 1983 federal budget to strengthen private investment in the early stages of Canada's economic recovery. Global Thermoelectric's application for assistance was made through the Defence Industry Productivity Program (DIPP). Over five years, the company expects the project to create 56 jobs and generate \$10 million in sales.

In making the announcement today on behalf of the Minister responsible for the Fund, the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Senator H.A. (Bud) Olson, Leader of the Government in the Senate, said Global Thermoelectric will use the contribution towards the cost of research and development and towards the cost of purchasing advanced technology production equipment to produce a manned-portable-100-watt-thermoelectric generator for the military market.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

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FONDS SPÉCIAL DE RELANCE DES INVESTISSEMENTS

Liaison

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Pour publication

IMMÉDIATE

Sujet

**LA SOCIÉTÉ GLOBAL THERMOELECTRIC REÇOIT UNE CONTRIBUTION FÉDÉRALE
DE 1 MILLION DE DOLLARS AUX TERMES DU FONDS SPÉCIAL
DE RELANCE DES INVESTISSEMENTS**

BASSANO, le 14 novembre 1983 -- La société Global Thermoelectric de Bassano, en Alberta, a accepté une contribution fédérale de 1 million de dollars aux termes du Fonds spécial de relance des investissements de 300 millions de dollars, annoncé dans le budget fédéral d'avril 1983 et conçu pour renforcer les investissements du secteur privé durant le début de la reprise économique au Canada. La société a présenté sa demande dans le cadre du programme de productivité de l'industrie du matériel de défense (PPIMD). Elle prévoit créer 56 emplois et réaliser un chiffre d'affaires de 10 millions de dollars, en cinq ans.

En faisant cette annonce aujourd'hui au nom du ministre responsable du Fonds, M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, le sénateur H.A. (Bud) Olson, leader du gouvernement au Sénat, a précisé que la Global Thermoelectric utilisera cette contribution pour couvrir les frais de travaux de recherche et de développement et pour acquérir du matériel de haute technologie en vue de produire un générateur thermoélectrique portatif de 100 watts pour le marché militaire.

Le principal objectif du programme de productivité de l'industrie du matériel de défense consiste à stimuler la croissance industrielle au Canada. Des entreprises d'une vaste gamme de secteurs industriels, tels l'électronique, les transports, l'avionique, la fabrication de matériel de navigation, la technologie spatiale, la métallurgie et la fabrication de moteurs ont recours à ce programme. En encourageant la mise au point de technologies de pointe, le PPIMD favorise les exportations rentables de matériel militaire et d'articles servant à la défense.

Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement l'intention d'acquérir les compétences ou de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

NEWS RELEASE

Contact

For release

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IMMEDIATE

Subject

AVIATECH INC. AWARDED FEDERAL CONTRIBUTION

MONTREAL, November 15, 1983 -- A \$127,148 contribution to Aviatech Inc. of Montreal, Quebec has been approved under the federal Defence Industry Productivity Program (DIPP). The company expects the project to create eight jobs and generate \$2 million in sales over five years.

In making the announcement today, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Louis Desmarais, Member of Parliament for Dollard, said Aviatech will use the contribution towards the cost of becoming a qualified supplier of crew seats for de Havilland Aircraft of Canada Ltd.'s Dash 8 aircraft.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

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FOR FURTHER INFORMATION, CONTACT: L. Otupiri, (613) 593-4481



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IMMÉDIATE

Objet

LA SOCIÉTÉ AVIATECH INC. REÇOIT UNE CONTRIBUTION FÉDÉRALE

MONTREAL, le 15 novembre 1983 -- La société Aviatech Inc., de Montréal (Québec), recevra la somme de 127 148 \$ aux termes du programme de productivité de l'industrie du matériel de défense (PPIMD). La société prévoit que ce projet lui permettra de créer huit emplois et de réaliser un chiffre d'affaires de 2 millions de dollars en cinq ans.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Louis Desmarais, député de Dollard, a déclaré que cette contribution permettra à la société Aviatech de devenir un fournisseur agréé de sièges d'équipage destinés aux aéronefs Dash 8 de la société de Havilland Aircraft of Canada Ltd.

Le principal objectif du programme de productivité de l'industrie du matériel de défense consiste à stimuler la croissance industrielle au Canada. Des entreprises d'une vaste gamme de secteurs industriels, tels l'électronique, les transports, l'avionique, la fabrication du matériel de navigation, la technologie spatiale, la métallurgie et la fabrication de moteurs ont recours à ce programme. En appuyant le développement de technologies de pointe, le PPIMD favorise les exportations rentables de matériel militaire et d'articles servant à la défense.

Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement l'intention d'acquérir les compétences ou de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

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POUR OBTENIR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A:
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NEWS RELEASE

Contact

R. BLAIS

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For release

IMMEDIATE

Subject

STARLITE SPECIAL TOOLS LTD. AWARDED DIPP CONTRIBUTION

BRAMPTON, November 15, 1983 -- a \$82,670 contribution to Starlite Special Tools Ltd. of Brampton, Ontario has been approved under the federal Defence Industry Productivity Program (DIPP). The company expects the project to create 13 jobs and generate \$2,455,000 in export sales over five years.

In making the announcement today, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, the Hon. Roy MacLaren, Minister of State (Finance), said Starlite will use the contribution towards the cost of purchasing advanced automatic and Computer Numerical Control (CNC) equipment for increasing its capability to manufacture high-quality precision cutting tools.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

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IMMÉDIATE

Objet

LA SOCIÉTÉ STARLITE SPECIAL TOOLS LTD. REÇOIT UNE CONTRIBUTION AUX TERMES DU PPIMD

BRAMPTON, le 15 novembre 1983 -- La société Starlite Special Tools Ltd., de Brampton (Ontario), a reçu la somme de 82 670 \$ aux termes du programme de productivité de l'industrie du matériel de défense (PPIMD). La société prévoit que ce projet lui permettra de créer 13 emplois et de réaliser des ventes à l'exportation de l'ordre de 2 445 000 \$ en cinq ans.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Roy MacLaren, ministre d'État aux Finances, a déclaré que la société Starlite allait consacrer cette somme à l'achat d'outillage automatique de pointe et de matériel à commande numérique informatique (CNC), dans le but d'accroître sa capacité de fabriquer des outils de précision tranchants de haute qualité.

Le principal objectif du programme de productivité de l'industrie du matériel de défense consiste à stimuler la croissance industrielle au Canada. Des entreprises d'une vaste gamme de secteurs industriels, tels l'électronique, les transports, l'avionique, la fabrication de matériel de navigation, la technologie spatiale, la métallurgie et la fabrication de moteurs ont recours à ce programme. En appuyant le développement de technologies de pointe, le PPIMD favorise les exportations rentables de matériel militaire et d'articles servant à la défense.

Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement l'intention d'acquérir les compétences ou de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

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POUR OBTENIR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A:
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NEWS RELEASE

Contact

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For release

IMMEDIATE

Subject

FLEET INDUSTRIES AWARDED FEDERAL CONTRIBUTION

FORT ERIE, November 18, 1983 -- A \$935,500 contribution to Fleet Industries of Fort Erie, Ontario has been approved under the federal Defence Industry Productivity Program (DIPP). Over five years the company expects the project to create 57 jobs and generate \$16.7 million in sales.

In making the announcement today, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Al MacBain, M.P. for Niagara Falls, said Fleet Industries will use the contribution towards the cost of becoming a qualified supplier of main landing gear doors and the upper rear portion of nacelles for de Havilland Aircraft of Canada Ltd.'s Dash 8 aircraft.

The primary objective of the Defence Industry Productivity Program is to enhance industrial growth in Canada. The program is used by companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines. By encouraging the development of advanced technology, DIPP promotes economically viable defence exports and defence-related exports.

For the purpose of DIPP, defence industry is defined as those companies or elements of companies which have, or which clearly demonstrate the intent to develop, a defence-oriented capability or capacity employing advanced technology directed to defence and defence-related sales.

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FOR FURTHER INFORMATION, CONTACT: K. Waldron, (613) 593-4481



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IMMÉDIATE

Objet

LA SOCIÉTÉ FLEET INDUSTRIES REÇOIT UNE CONTRIBUTION FÉDÉRALE

FORT-ÉRIÉ, le 18 novembre 1983 -- La société Fleet Industries, de Fort-Érie (Ontario), recevra la somme de 935 500 \$ aux termes du programme de productivité de l'industrie du matériel de défense (PPIMD). La société prévoit que ce projet lui permettra de créer 57 emplois et de réaliser un chiffre d'affaires de 16,7 millions de dollars en cinq ans.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Al MacBain, député de Niagara Falls, a déclaré que cette contribution permettra à la Fleet Industries de devenir un fournisseur agréé de trappes principales de trains d'atterrissage et de parties arrières supérieures des nacelles destinées aux aéronefs Dash 8 de la société de Havilland Aircraft of Canada Ltd.

Le principal objectif du programme de productivité de l'industrie du matériel de défense consiste à stimuler la croissance industrielle au Canada. Des entreprises d'une vaste gamme de secteurs industriels, tels l'électronique, les transports, l'avionique, la fabrication du matériel de navigation, la technologie spatiale, la métallurgie et la fabrication de moteurs ont recours à ce programme. En appuyant le développement de technologies de pointe, le PPIMD favorise les exportations rentables de matériel militaire et d'articles servant à la défense.

Aux fins du PPIMD, l'industrie du matériel de défense comprend les sociétés ou les divisions de sociétés qui possèdent déjà ou qui manifestent clairement l'intention d'acquérir les compétences ou de développer une capacité de production de matériel de défense et d'articles connexes destinés à l'exportation en utilisant des techniques de pointe.

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POUR OBTENIR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A:
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NEWS RELEASE

Contact

For release

M. PEREK

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IMMEDIATE

Subject

\$5.9 MILLION IN ILAP ASSISTANCE TO EPTON INDUSTRIES INC.

KITCHENER, December 6, 1983 -- Epton Industries Inc. of Kitchener, Ontario, has accepted an interest-free repayable contribution of \$5.9 million under the community-based portion of the federal government's Industry and Labour Adjustment Program (ILAP).

In making the announcement today, on behalf of the Hon. Ed Lumley, Minister of Industry, Trade and Commerce and Regional Economic Expansion, Peter Lang, MP for Kitchener, said that the company expects the project to maintain 489 jobs and result in \$35,025,000 in average annual sales over three years.

Epton Industries fabricates rubber and plastic products for a wide variety of industries. The company will use the funds to acquire and upgrade B.F. Goodrich's Engineered Products Division.

Since the Kitchener-Waterloo area was designated under ILAP in April 1982, 24 companies have been assisted under the program for a total of \$13,048,884.

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FOR FURTHER INFORMATION, CONTACT:

M. Perek (416) 365-3705



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IMMÉDIATEMENT

Objet **LA SOCIÉTÉ EPTON INDUSTRIES INC. REÇOIT 5,9 MILLIONS DE DOLLARS
AUX TERMES DU PAAIM**

KITCHENER, le 6 décembre 1983 -- La société Epton Industries Inc., de Kitchener, en Ontario, a accepté une contribution remboursable sans intérêt de 5,9 millions de dollars en vertu du volet du programme fédéral d'aide à l'adaptation de l'industrie et de la main-d'oeuvre (PAAIM), lequel volet est axé sur les collectivités.

En faisant cette annonce aujourd'hui au nom de M. Edward C. Lumley, ministre de l'Industrie et du Commerce et de l'Expansion économique régionale, M. Peter Lang, député de Kitchener, a précisé que la société prévoit, grâce au projet, sauvegarder 489 emplois et réaliser un chiffre d'affaires annuel moyen de 35 025 000 \$ au cours d'une période de trois ans.

L'Epton Industries Inc., qui fabrique des produits de caoutchouc et de plastique pour toute une gamme d'industries, utilisera ces fonds pour acquérir et améliorer la division des produits techniques de la B.F. Goodrich.

Depuis que la région de Kitchener-Waterloo a été désignée aux termes du PAAIM, en avril 1982, 24 entreprises ont reçu de l'aide totalisant 13 048 884 \$ en vertu de ce programme.

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POUR DE PLUS AMPLES RENSEIGNEMENTS, S'ADRESSER A :
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